No. 30,307

Business Summary

group, suffered a serious set-back in the European data pro-cessing market last year, ac-cording to a US computer magazine study. The group's market share in Europe dropped to 35.3 per cent from 39 per cent in both 1985 and 1984, although overall European rev-enues were boosted 21 per cent

enues were boosted 21 per cent to \$15.7bn by weakness of the US dollar. Page 14

EUROPEAN MONETARY SYS-TEM: A stronger dollar helped to keep EMS trading quiet last week. The French franc was the strongest member of the system, with the Belgian france remain-ing the weakest, and the D-Mark steady around the middle, as its potential strength was blunted by demand for the dollar. Lloyds Bank's International Fi-nancial Outlook commented that a realignment seems un-likely before the fourth quarter. By this time, the dollar is fore-

By this time, the dollar is fore-cast to be losing ground to the

225%

DOME PETROLEUM, the debt-

laden Canadian energy company, has rejected a C\$449m (US\$338.6m) offer from the Aus-

lowknife Mines for its 21.5 per cent interest in Dome Mines,

one of Canada's oldest gold mining companies. Page 15

HARLEY-DAVIDSON, US mak-

er of heavy motorcycles, showed a steady improvement in earn-ings in the second quarter to June, advancing to \$5.4m or 88 cents a share from \$3m or 67 cents a share. Page 15

HONG KONG has backed away from a legal ban on companies creating defensive two-tier share structures, but made clear at the weekend that these

would be sanctioned only in "ex-ceptional circumstances". Page 17

UK TAKEOVERS: Institutional

pressure appears to have solved the problem of convertible shareholders' disadvantageous position when a bid is made for their company. Page 12

HIGHVELD STEEL & Vanadi-

8387m (\$185.6m) from R377m but interim pre-tax earnings dropped to R36.0m against R42.1m. Page 17

TOKYO stocks rose sharply in Saturday's half-day session. pushing the Nikkei average up 361.08 to close at 24,658.23. World Stock Markets, Page 25

EQUITIES TRADE: Details

have emerged of a £570m (\$890m) portfolio trade through the London stock market, possi-bly the largest instant recon-struction of an institutional

portfolio since Big Bang. Page 6

BOCIETE Generale de Belgique, leading Belgian industriai group and the subject of take-over speculation, will today an-nounce a BFr3bn (\$76.6m) rights

EMS Aug 7,1987

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EUROPE'S BUSINESS NEWSPAPER

Monday August 10 1987

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Libya and IBM loses Chad clash market over desert share in border town Europe

World News

Libyan aircraft bombed Chadtan troops along the disputed border strip between the two countries, one day after Chad claimed to have routed the forces of its north African ene-

my.

A Chadian official in Paris said the bombings were "intense and incessant" He gave no other details. On Saturday, Chad claimed its forces had recaptured the border town of Aouzon and recovered the border strip. Page 14

French entry curbs France tightened its entry visa requirements in a further effort to halt illegal immigration. Page

Satellite plunge

A Soviet satellite launched on August 1 was out of control and about to re-enter the earth's at-mosphere, possibly tonight, a West German astronomer said. The Soviet news agency Tass said risk of damage was insig-

Philippines crackdown

President Corazon Aquino, angered by the murder of a senior cabinet minister a week ago, ordered a crackdown on illegal firearms but rejected the use of emergency measures to curb growing violence in the Philippines.

Tokyo protest

Police in Tokyo arrested five right-wingers near the Soviet Embassy as about 700 demonstrators demanded the return to Japan of four northern islands held by the Soviet Union since the end of the Second World

S Korea demos

Workers demanding better pay and conditions demonstrated in four South Korean ettles as in-The chart shows the two con The chart shows the two constraints on European Monetary system exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the tira) may move more than 2½ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (Ecu), itself a basket of European currencies. dustry officials warned that 200 companies faced closure be-cause of labour purest

AIDS barriers

AIDS is unlikely to spread in Chins because homosexuality and casual sex are illegal and contrary to Chinese morality, Public Health Minister Chen ne was quoted as saying.

Lebanon foes unite

with their traditional Christian foes to earry the coffin of Chris-tian Finance Minister Camille Chamoun - who died after a heart attack last week - to his grave in the Shouf mountains.

Guerrilia warning

The outlawed West German urban guerrilla group Red Army Faction has regrouped and is planning 2 fresh wave of attacks, a state counter-intelligence chief said in Bonn.

Saudis accuse iran

Saudi Arabia's ambassador to the IIS accused Iran's leaders of inciting Shia Moslems to riot during a pilgrimage to Mecca 10 days ago, when 400 people were killed.

Mosiem suspects

Tunisia named and published photographs of two Moslem fun-lamentalist militants suspected of being involved in last week's hotel bombings in which 13 peo-ple, including five Britons, were injured.

US-Egypt exercise The US aircraft carrier Saratoga accompanied by a cruiser and two frigates arrived off Al-exandria for land, air and sea

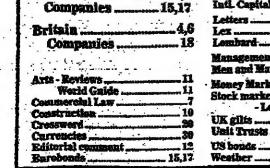
manoeuvres with Egypt.

Afghan rebels killed

Thirty-five African rebels were killed and 20 injured in an am-bush near the Pakistan frontier, a guerrilla leader said.

Neolithic village British archaeologists found traces of a Neolithic village, dating back about 10,000 years, at Tei Afar in Nineveh prov-

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THE MONDAY PAGE

INTERVIEW Robin Pauley talks to Roger Douglas, New Zealand Finance Minister, Page 8

Justinian: not to publish and be John Plender: a bigger gap, a bigger Guatemala; union power in South Afri-

European economy: an old and so familiar malaise 12 Protest in Panama: the grumbling revo-

Lex: West German stock market; con-

New Iran threats as convoy moves deeper into Gulf

THE SECOND convoy of Kuwai-ti-owned tankers with US naval escorts was sailing up the Gulf yesterday, accompanied by mine-hunting helicopters, after a surprise departure from its anchorage in the Gulf of Oman in the early hours of Saturday

The voyage coincided with fresh Iranian threats against Western interests and with in-tense Western diplomatic activity aimed at imposing an inter-national arms embargo on Iran following its apparent rejection of a three-week-old United Na-

Gulf war. Yesterday afternoon, the

PRESIDENT RONALD Reagan

has cautiously welcomed the Central American peace plan agreed in Guatemala City last week, but made clear that any

regional pact must take into ac-count the interests of the US-backed Contra rebels in Nicara-

gua.

The plan calls for simultaneous ceasefires in the region's civil wars, an end to external help to rebel forces and a ban on irregular or regular forces

using one country's territory to attack another.

The first response from the Contras was not encourag-

ing We are in no way going to lay down our arms. The fight goes on," a Contra spokesman said.

said.

The preliminary accord has set a fresh challenge for the Reagan Administration which has until very recently used military rather than diplomatic methods to achieve peace in the two countries fighting internal rebeillons, El Salvador and Nicaragna.

rebellions, El Salvador and Ni-caragua.

Although the peace process is still in its earliest stages and several months of hard bargain-ing lie ahead, commentators and politicians in Washington yesterday said it offered an im-poverished region real poten-tial for ending years of war.

Mr Reagan's equivocal bless-ing of the outline accord - which came in his weekly radio ad-dress on Saturday - illustrates

the dilemma facing him only days after he submitted his own peace plan to the five political leaders of Costa Rica, Hondu-

dragging sonar devices through the water to try to detect mines.

The ships were expected in Kuwaii some time today.

After an unhappy maiden run two weeks ago, when the supertanker Bridgeton hit a mine, the US Navy was taking no chances. The convoy observed strict radio cilonocat trade dio silence as it made its way up there might be the precursors of the waterway in close forms a United Nations fleet designed

Reagan gives cautious

American peace plan

El Salvador, Nicarauga, that it would withdraw a suit filed against Costa Rica in the Wednesday, Mr Reagan International Court of Juistice

and Guatemala.
On Wednesday, Mr Reagan announced a plan agreed with the Mr Jim Wright, the Speaker of the House of Representatives and Texas Democrat, which focused largely on ending the civil war in Nicaragua.
It set a 60 day deadline for a ceasefire along with the restoration of civil liberties, a framework for free elections, and the withdrawal of Soviet bloc support for the left-wing Sandinista Government. Mr Wright yester day appeared to jettison the US plan in favour of the plan between the five leaders. The guatamala plan must prevail, Mr Wright said on US televiation.

The Guetemala plan agreed with International Court of Juistice in the The Hague in July 1986, charging Costa Rica with indictance that indicate with subject to charging Costa Rica with indictance that the The Hague in July 1986, charging Costa Rica with indictance that the The Hague in July 1986, charging Costa Rica with indictance with subject to charging Costa Rica with indictance that the The Hague in July 1986, charging Costa Rica with indictance that the The Hague in July 1986, charging Costa Rica with indictance with subject to charging Costa Rica with indictance with subject to peace the without about the good faith of the Sandinistas, but he described last Friday's pact as a historic step' to peace. He made clear, too, that he expected President Reagan to delay issuing a request to Congress for further military aid to the Contras. The present \$100m aid tween the five leaders. The contrast the would with against Costa Rica in the International Court of Juistice in the The Hague in July 1986, charging Costa Rica with indictance with subject some developed in the The Hague in July 1986, charging Costa Rica with indictance with the The Hague in the T

The Guatemala plan appears
to place more emphasis on the
suspension of US military aid to
the right-wing Contra rebels. Its
architect, President Oscar Arias
of Costa Rica, said on US television yesterday that the Sandiweek for entering into talks
with the White House.

But the Nicaraguan Govern- gotiations with Washington.

welcome to Central

would assist Iran's Silkworm shore-to-ship missiles posi-tioned around the Strait

As the convoy sailed up the Gulf, Iran kept up its bitter criticism of the Western military presence in the region. Tehran radio said yesterday that the Western warships gathered

region for ships." The focus of international diplomatic activity is likely to shift this week to intensified efforts to follow up the UN Secu-rity Council's resolution three weeks ago ordering an immedi-

ate ceasefire. further se ituation.

three reflagged Kuwaiti tankers
tion, at varying speeds. All othtwo oil product carriers and a
er shipping was repeatedly
liquid petroleum carrier - were
sighted north of the Qatar peninsula, escorted by four warships and making good progress
side the Gulf, are understood to
towards their destination.
Small helicopters flying from the carriant flying from the convoy were reported to be
dragging sonar devices through
tion, at varying speeds. All othcomromise in its war with
Iraq. It said they would be attacked if they confronted Iran.

Mr Mir Hussein Mousavi, the
man interview with Tehran radio:
"As long as the superpowers intion to put pressure on Iran to
comromise in its war with
Iraq. It said they would be atman interview with Thussein Mousavi, the
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"As long as the superpowers intion an interview with Tehran rad An interview with Tehran radio:

'As long as the superpowers intend to be present...the Persian Gulf will remain full of mines and continue to be a dangerous embargo on Iran. Further meet-ings are likely on the issue at the UN this week.

Consultations are likely continue between the US and its European allies over possible joint action to protect ship-ping in the Gulf in the event of a further serious worsening of the



Thousands back strike call at S African mines

South African mining houses began last night when thousands of gold and coal miners failed to turn up for the Sunday evening shift. Today, many striking miners are expected to theed uping instructions and heed union instructions and start returning to their homes for the duration of the strike.

At a rally close to the gold and coal mines around Secunda in the East Rand, Mr James Mot-latsi, president of the National Union of Mineworkers called on union members to maintain discipline, reject intimidation and prepare for a possibly lengthy strike.

sion yesterday that the Sandinistas had long used the Contra rebels as an excuse for abolishing civil liberties in Nicaragua.

Mr Arias said: 'Some people are very hesitant and some people are not optimistic. But we have 90 days (the timetable for a cease-fire) to prove whether they (the Sandinistas) are sincere.'

President Daniel Ortega of Nicaragua said fighting would continue until a ceasefire was established. Until then, he said, the Sandanistas must continue until a ceasefire was established. Until then, he said, the Sandanistas must continue until a ceasefire was established. Until then, he said, the Sandanistas must continue until a ceasefire was established. Until then, he said, the Sandanistas must continue until a ceasefire was established. Until then, he said, the Sandanistas must continue until a ceasefire was established. Until then, he said, the sandanistas must continue until a ceasefire was established with the White House.

They said that if the diplomatic route failed Mr Reagan would be well-placed to argue for military aid. But Mr Wright - in the wake of the events in Guatama-la City - had achieved a 180-degree shift in opinion.

Now Mr Reagan is said to be boxed in: if he applies for military aid, he risks being accused of derailing a peace process organised by the Central American leaves the country of the country of the country of the walk of the events in Guatama-la City - had achieved a 180-degree shift in opinion.

Now Mr Reagan is said to be boxed in: if he applies for military aid, he risks being accused of derailing a peace process organised by the Central American leaves. On Saturday, the Congress of South African Trade Unions warned that state intervention would be countered by sympathy strikes in other key industries. "We see the NUM strike, along with the wave of wage strikes in other sectors, as a high point in Cosatu's living wage campaign," it added. South African Trade Unions

Both union and mining executives are anxiously awaiting the first indications of how many miners will leave their hostels, how many of the 28 gold and 19 coal mines involved will be af-fected and how long the strike

The NUM, which claims 261,000 paid-up members, called on them to sit out the strike at home to prevent violence and hopes that over 200,000 will desert the mines. It also plans strike ballots at other mines this week to extend the

More than 500,000 workers are employed in South Africa's gold and coal mines. Gold accounts for half the country's foreign ex-change earnings. A major question mark, however, hangs over the thousands of foreign migrant workers from Mozambiwhere in southern Africa for whom returning home presents

Editorial comment, Page 12 Continued on Page 14

EC plans rules to control conduct of takeovers

THE EUROPEAN Commission is preparing EC-wide rules to control the conduct of takeover bids in the latest of a series of moves to extend its influence over corporate acquisitions and

A draft directive, expected to to member states by the end of the year, would set minimum standards for protecting shareholders at the receiving end of takeovers. Commission officials are pressing for rules to have full statutory backing in nation-ai law, rather than the informal system of conduct now used in Britain and the Netherlands.

The proposal would force bid-ders to inform the victims and the authorities four days before launching an offer so the target company would have time to consult financial advisers. It stipulates that the manage-

ment at the receiving end of the bid must always act in their company's interests, thereby outlawing so-called "poison pill"

defence tactics.

Also included in the draft is the minimum content allowed for bidders' offer documents. These must state, among other things, the offering price, possi-bly the price the bidder paid for shares it aiready holds (this is only an option), the class of shares involved and the percentage ownership the bidder is aiming for. Offer documents must also include the bidder's plans for the company's future plans for the company's future management and staff, proposes the Commission.

the Commission.

The bid target's shareholders should be given free access to the predator's accounts to help them make up their minds on the fairness of the offer.

The Commission is also considering whether shareholders should be given the right to an independent valuation if the bidder is offering to pay with his own equity rather than cash.

The scheme is being strongly opposed by the UK, which does not want to see the London Stock Exchange, where the vast majority of EC bids take placearound 5,000 in the past 20 years - being forced to surrender its takeover code. As a professional second service of the services of the same contestion of the past 20 years - being forced to surrender its takeover code. As a professional service in the past 20 years - the same contestion of the past 20 years - being forced to surrender its takeover code. der its takeover code. As a pro-fessional agreement, the code has no formal statutory backing West Germany is said to feel that the Commission is trying to overstep its powers on the issue and such a directive would be

and such a directive would be difficult to impose on its com-plex federal legal system. The draft takeover directive is part of the Commission's campaign to build a free internal market by 1992. It coincides with a separate attempt by the Brus-sels authorities to revive a long-stalled proposal to control

Analysis, Page 2 Continued on Page 14

BCI to sell international side to New York investors

ment, in what seemed like a conciliatory move, indicated

of Costa Rica, said on US televi-sion yesterday that the Sandi-nistas had long used the Contra rebels as an excuse for abolish-ing civil liberties in Nicaragua.

mer Beatrice Companier' food operations, is to sell its international side to a partnership headed by Mr Reginald Lewis, a black New York investor. The \$985m deal is expected to create by far the largest black-owned business in the US.

BCI Holdings, which was created after Beatrice went private in a record-breaking \$6.2bn leveraged buy-out, will announce today that it has agreed to sell Beatrice International Food to

HIGHVELD STREL & Vanadium, South African steel and ferre-alloys manufacturer, increased turnover slightly in the
six months to June despite the
lack of an increase in domestic
steel consumption. Sales rose to Beatrice International Food to TLC, a Wall Street investment

BCI HOLDINGS, the Chicago-based group which owns the for-mer Beatrice Companies' food names as Callard & Bowser confectionery and Butterball poul-try in the UK, and derives the bulk of its revenues from food processing and distribution in Europe. Drexel Burnham Lambert, the

Wall Street investment firm to-1 return on his first major inwhich pioneered the issue of vestment, a leveraged buy-out
high-yielding or 'junk' bonds of McCall Pattern, a company
for acquisitions, has issued a
firm commitment to finance the
transaction. Units in Canada,
which have accepting income of
wested \$1m in equity in McCall TLC, a Wall Street investment from the street investment firm headed by Mr Lewis.

Beatrice International Food, which last year made operating aged buy-out group, for a sum profits of \$139m on revenues of \$2.55n, consists of 64 companies

which nave operating income of \$27m on revenues of the street in mediately to be sold to Onex Capital, a Toronto-based leveraged buy-out group, for a sum profits of \$139m on revenues of \$2.55n, consists of 64 companies which have operating income of

Mr Lewis, aged 44, who apparently outbid Citicorp, Shearson Lehman and Morgan Grenfell of the UK for Beatrice Interna-tional Food, came to prominence only at the beginning of July. A practicing lawyer until 1983, he stunned Wall Street last month by announcing a 90-

Editorial comment, Page 12; Panama protest, Page 13

which makes patierns for home sewing.

Mr Lewis, whose group in-vested \$1m in equity in McCall in early 1984, sold 80 per cent of the business last month to John Crowther of the UK for \$63m in cash and assumed debt. The group had already enjoyed distributions of \$27m.

Market awaits UK indicators

THE KEY UK economic indicators, to be published this week, are being accorded more than their usual importance by the London stock market because of the sharp 6 per cent average fall in share prices: last week and uncertainty about the reasons behind last Thursday's rise in interest rates.

On Thursday has aroused speculation that the official statistics will show signs that the economy has been overheating. The most keenly awaited statistics, after May's large current account deficit of £561m, are the June trade figures to be published on Tuesday. Since Thursday's rate change most stockhooking analysis have

The surprise decision of Mr edged up their forecasts for a Nigel Lawson, the Chancelior of published deficit of between the Exchequer, to push up in- £100m and £250m (\$157m and terest rates from 9 to 10 per cent \$392m). An anticipated deficit

on visible trade of £600m to £800m is expected to be sub-stantially offset by an invisible surplus. Any figure worse than £250m is likely to trigger a further fall in the market.

Mr Giles Keating, the economist at Credit Suisse First Boston, believes Mr Lawson had some indications of poor trade figures before he pushed up in-terest rates. But, he says, his

Continued on Page 14

main concerns were probably

Two year performance to 1st August

Trust	Percentage increase in value	Position in sector
Worldwide Recovery	+178.3	2nd
Income & Growth	+165.2	3rd
UK	+156.9	45th
International	+129.1	10th
European	+121.7	14th
Japan	+119.3	34th
Pacific	+118.7	29th
Practical	+109.4	lst
High Income	+76.9	16th
American	+34.0	42nd
Figures, two years to 1.8.87. Source: Open, offer to	obid, pet income reinvested,	

Over the two years to 1st August eight of our ten authorised unit trusts have more than doubled investors' money.

For further details about any of the above funds, telephone 01-489 1078 or write to Oppenheimer Trust Management Limited, Mercantile House, 66 Cannon St., London EC4N 6AE.



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France tightens | Slow rate visa rules to cut illegal entry

BY PAUL BETTS IN PARIS

THE FRENCH Government ling intentions by showing their immigration into the country. being The conservative administra- visa tion of Mr Jacques Chirac intro-

a visit of three months or less France.

tightened its entry visa require-ments at the weekend in a cheques, credit cards or other further effort to halt illegal immigration into the country. being granted a three-month

tion of Mr Jacques Chirac introduced controversial visa requirements for all foreigners the latest measures were not except EC and Swiss citizens designed to make life more last autumn as part of a package of security measures after a wave of terrorist bombings in Paris last September.

It has now stepped up the visa procedure by requiring all there are at present 100,000-foreigners wishing to come on a visit of three months or less Prance. The French interior ministry

a visit of three months or less to show proof of their financial means and their intention of making a return journey. As in the case of the original visa requirement, the measures do not apply to EC and Swiss nationals.

The interior ministry also said it had asked passport control officers at frontier posts and airports to check much more rigorously the financial means nationals. Tourists and business visitors cannot satisfy the passport consults abroad to submit the pacessary proof of their travel-

Shultz aide in Israel to push case for talks

A SENIOR aide to US Secretary of State George Shultz has arrived in Israel to try to persuade Prime Min-ister Yitzhak Shamir to accept an international Middle East peace conference, Reuter reports from

Jerusalem. Mr Charles Hill, executive assistant to Mr Shultz, will hold talks with Mr Shamir and Foreign Minister Shimon Peres, who are deeply divided over the issue, Israeli and US officials said. Mr Shamir rejects efforts by Mr

Peres, Europe and most Arab countries to convene a UN-sponsored conference. Mr Shamir views it as a Soviet-inspired scheme to force the return of Arab land captured by Israel in the 1967 Middle East War.

Until recently, Washington was cool to the idea of a conference attended by the first negroup and the conference at

tended by the five permanent mem-bers of the UN Security Council -including the Soviet Union - but has changed its view at the urging of Mr Peres, Egypt and Jordan. Mr Shultz last week said he was ending Mr Hill to Israel because it

was important to gresp any oppor-tunity for Middle East peace. He said his aide would hold in-depth talks with Israeli leaders. Mr Hill's trip follows a visit to Israel last month by Egyptian For-Maguid who told his hosts a unique chance for peace would be lost if

they falled to accept an international conference. He urged it be arranged this year. Mr Peres, whose Labour party shares power in an uneasy coalition with Mr Shamir's Likud bloc, has failed to break up the Government over the conference issue for lack of the parliamentary majority Mr Peres would need to call for new

• Thousands of ultra-orthodox



Jews clashed with police yesterday tions against Saturday film screenings which religious Jews say de-secrate the Sabbath.

Security sources said five men were arrested after protesters threw stones and bottles at police guarding the city's Beit Agron auditorium during a Saturday showing of "Lassie Come Home."

Police and paramilitary border police units kept journalists away from the scene of the disturbance. City by laws forbid commercial ment but allow "cultural vents" on the Jewish day of rest which lasts from Friday evening until after dusk on Saturday.

movies say the screenings are cul-tural and within the law, but the city's many ultra-orthodox residents say the shows could cre precedent which would harm Jerus alem's spiritual character.

Police used tear gas to disperse both religious protesters and secu-

lar counter-demonstrators.
Left-wing parties regularly send

Police use riot shields to combat Swedish youths

BY SARA WEER IN STOCKHOLM POLICE USED riot shields and testing against South American horses to deal with an esti-mated 1,000 rampaging teen. The p agers over the weekend in the tween 2

Youths have gathered around Kungstradgarden and Sergels Trog to throw Molotov cocktails and stones at police every evening since Thursday, and have smashed windows in nearby shops and offices.

night to patrol these areas, are accusioned to dealing with which are common meeting such teenage vandalism just be-places for drug addicts, drunks, fore the school term begins, pimps and buskers, as well as for Hare Krishna fans and been much worse than before," impromptu demonstrators pro- said a police spokesman.

mated 1,000 rampaging teenagers over the weekend in the
less salubrious parts of central
Stockholm. but say they have had to release most of them as they are too young to be charged with committing criminal

tails and stones at police every evening since Thursday, and have smashed windows in nearby shops and offices.

Between 100 and 150 policemen have been brought in each lave been brought in each lave been brought in each which are common meeting places for drug addicts, drunks.

of growth expected in W Germany

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WEST GERMANY'S gross national product will grew by only 1.75 per cent in real terms next year after rising by an estimated 1.25 per cent this year, according to the Ifo economic research institute, Reuter reports from Munich.

Ifo's forecasts are lower

Ife's forecasts are lower than the Bonn government's targets of 1.5 to 2 per cent this year and 2.5 per cent next year. In a mentily report, Ife

said that growth would be too weak to bring about an improvement in the labour market. Unemployment will rise to 9.0 per cent on average this year and 9.1 per cent next year, compared with the current rate of 8.7 per cent. Her Otto Schlecht, state secretary at the Economics Ministry, last week called Boun's targets entirely realizate but independent researchers say the government is being too optimistic.

If o said: "The development of the West German economy since the autumn of 1986 shows more than a temporary

since the autumn of 1986 shows more than a temporary disturbance of the growth process. Developments since then mark a clear reduction of the growth rate."

Industrial output may fall slightly and industry will be unable to contribute much to growth in gross national product in the next few months. Its said exports would pick up next year but improvements would be constrained by the continued strength of the I-Mark. Planned tax cuts, however, are expected to however, are expected to boost demestic demand next

S Korean workers in protest over pay

WORKERS demanding better pay and conditions demonstrated in four South Rorean cities yesterday as industry officials warned that 200 companies faced closure because of labour unrest, Reuter reports from Seoul.

Police said about 28,000 workers, who were also demanding the right to form free trade unions, staged siting at about 30 companies in Pusan, Ulsan, Changwon and Masan.

injuries were reported, police

In other labour unrest, hudreds of coal miners occupied a railway station in occupied a raiway scatten in the eastern town of Taeback, halting trains linking Seoul and eastern South Korea for more than 15 hours.

In the south-west city Kwangju, bus drivers went on

Rwangju, bus drivers went on strike, causing serious traffic problems. Police were mable to give further details. Worker unrest has risen sharply in an atmosphere of political liberalisation since July 1, when the military-backed government of President Chun Doo Hwan conceded opposition demands for reform, ending nearly three weeks of violent street protests.

officials at the Association of Small and Medium-Sized Companies said about half the 200 firms supplying parts to the South Korean auto industry would have to half production unless the problems facing the country's largest business group, Hyundai, were settled. were settled.

Eyundai's vehicle assembly line in Ulsan has been idle for three days because of siriles at four parts

suppliers.

Hyundai's auto division,
which has an annual capacity of 700,600 vehicles and aims to export 450,600 this year, is due to resume production today but officials said it was unclear whether the assembly line could be re-activated as scheduled as a strike at one

'Casual' remark on security services causes a furore, reports John Wyles in Rome-

Cloak and dagger politics intrigue Italians

newspaper reading looks likely to be richly entivened by a dark assertion at the weekend by Mr Oscar Luigi Scalfaro, the former Interior Minister, that attempts have again been made to exploit the secret services for possibly sinister purposes.

An almost throw-away line buried deep in an interview published by the Corriere Della Sera on Saturday has sparked a magnificent furore which will run and run and focus maximum attention on Mr Scalfaro's current political disappoint-

Respected more for his integrity than his political clout, Mr Scalfaro chose to stand outside the new Italian government headed by the Christian Democrat Mr Giovanni Goria because he was not allowed to retain the Interior Ministry post he has held for the last four years.

This went to 90-year-old Mr Amintore Fanfani, partly as a reward for his recent efforts as caretaker Prime Minister and partly because when the



partly because when the Hhis choice of the party's 14 gervice was implicated in coup veteran party boss asks for Ministers in the Gorla governder of the party's and was discovered something people think twice ment has reawakened old into have built up 33,000 dossiers about refusing him.

cern was to safeguard his own position by appeasing the most powerful factions. Mr Scaufaro revealed that Mr De Mita confessed to him that he did not have the courage to refuse Mr Fanfani the Interior Ministry. There is no suggestion that Mr Scalfaro was referring to Mr De Mita when he told the Corrière reporter: "I know that someone on the outside has

asked some people in the secret services some favours and in-formation." But he sparked a cherus of demands from other parties for demands from other parties for the naming of names and for reassurances that the secret services were not getting up to their old tricks. These have most recently included involve-ment of top officials in the senior P2 masonic P2 masonic lodge which was discovered and clamorously discredited six years ago as a right-wing wehlche for capturing control of the country's main institutions.

Twenty years ago the secret



7,500 leading personalities would not have wished to be widely known. These were allegedly destroyed in 1974 after a parliamentary assault which was supposed in have resulted in stronger political control. Sisde, the domestic intelligence branch, became the Interior Ministry's responsibility and Sismi, the military branch, went

all co-ordination was given to the Prime Minister's office. the Prime Minister's office.

The immediate questions raised by Mr Scalfard's deservively casual revolution asked whether the dossiers on personalities were destroyed in 1974 and, if so, whether the secret services have begun empiling new ones in violation of parliamentary instructions.

A Liberal Party spokesman pointed out at the weekend that the approach would not have been made unless the "someone" knew that there was information to be had. The Social Democrats, meanwhile, have demanded that Mr Scalfary come clean and tell what he knows.

come clean and tell what he knows.

Mr Scalfaro assured the Corrière that the "someone" in search of information had received "the answer he deserved." This did great credit to the services, he said, adding that they thought "of the national interest" and not of personal machinations.

To which might be added that personal machinations.

To which might be added that Mr Scalfaro's integrity as Minister of the Interior might have guaranteed good behaviour at Sisde, but with the Ministry in other hands

Congress

acts on

US debt

extension

Federal budget deficit.

THE US Congress has approved

a short-term debt extension for the Federal Government and de-

layed until September discussions aimed at reducing the

Late last week, the US Senate and the House of Representa-

tives approved motions to raise the debt limit to \$2.35 trillion

Villagers pay final tribute to Chamoun

BY NORA BOUSTANY IN DEIR AL GAMAR

VILLAGERS danced with the coffin given a state funeral in Christianof Mr Camille Chamoun, Lebanon's controlled East Beirut yesterday former Prime Minister, held shoulder high in a last emotional tribute before be finally was laid to rest yesterday in Deir al Qamar, a gresonated through the hilling vil
The church bells of Deir al Qamar, a gresonated through the hilling vilare resonated through the hilling vilbefore he finally was laid to rest

The church bells of Deir al Qamayesterday in Deir al Qamar, a ar resonated through the hilltop village at a slow and definite pace to

moun's family after a 40 km jour-ney from Christian areas of the

wooden casket on their shoulders

Food prices in the Shenzhe

economic zone, where the government is experimenting with reform, rose by up to 55 per cent in the first half of the year, by far the highest rate since the hyper-inflation of pre-

revolutionary years.
The government, concerned

that the increase will cause social unrest, has fruen re-forms designed to let the market set food prices and put

ceilings on many prices in Shenzhen, near Hong Kong. Meanwhile, the Peking Daily

Meanwhile, the Peking Daily
published a front-page article
with the theme that "inflation is not as bad as you think" in improved the food supply and an attempt to reassure resigiven them more choice. A

companies over payments.

Mr Bidandi Ssali, Uganda's Uganda had on't sent 1 000
Energy Minister, said last week that the main reason for the shortage was a delay in turn
Mr Ssali said that, because oil

rem control.

Living up to old mountain traditions of hospitality and magnanimity, Druze chieftain Walid Jumblas led a delegation of white-turbaned Druze shelkhs to welcome Mr Chamoun's family after a 40 km (cm.)

or faniare but only a few banners bidding Chamoun, Deir al Qamar's Druze militiamen rushed to the motorcade to hoist Mr Chamoun's had returned to its embrace for "leader, symbol and flame" farewell

admit that the rate in Shenz-hen, which is meant to be lead-

ing the way in reform, was 60 per cent in the first six months,

with vegetable prices rising by

The rate in the rest of the country is thought by diplomats to be around 12 per cent, providing ammunition for conservative Communists who argue for an increase in state control over the economy and the reintroduction of subsidies.

Chinese economic reforms under attack

Uganda hit by Libyan oil supply delays

CHINA'S ambitious economic reform programme is under intensified attack by conservative Communists following the largest increase in inflation is officially said to be running at around 7 per since the revolution in 1948.

Food nrices in the Chinese capital Peking taxi driver, who is better the markets, compaid than most workers, complained that "every time I go to the market prices go up."

Last year's official inflation rate was 6 per cent, up from the People's Daily, the complex of the markets and "guarantee the markets" and "guarantee the markets and

main according to headmen in the village. A bloody mountain war and three-month siege which began in September 1983 and ended at three-month siege which began in September 1983 and ended at Christmas that year drove the residents of some 70 christian villages out of the Chouf, but Mr Chamoun lobbied with Mr Jumblat as well as international quarters to save his together three is no one in dialogue with anymore. With the late President Chamoun, though a political adversary, there was always a basis for dialogue but not with this band of vultures (surviving Christian leaders)."

Asked why he had made the gesterway.

protection in the midst of the Druze

minist party newspaper, blamed speculators for price rises, as did the director of the state administration for industry and

commerce, Ren Zhonglin, who said yesterday: "These wrong-doings have affected the normal

development of reforms."

He said that profiteers were earning "hoge" amounts by re-celling state-supplied goods and that some state-owned enterprises had also made massive profits by illegally increasing prices. Mr Ren announced that all private sellers at markets must list the prices of goods, and said price increases were being restricted, but claimed the measures were designed to "further stimulate

much each was to receive nau prevented them from collecting the money until Wednesday In addition, the Ugandan Government has turned down

development of reforms."

Mr Jumblat said: There is no one

lobbied with Mr Jumblat as well as ing Christian leaders)."
International quarters to save his town.

Mr Jumblat's Druze Progressive

Socialist Party spared Deir al Qamar and gave it special status and protection in the midst of the Druze

leader said: "This was a gestime addressed to the Chamour, family and descend to the Chamou wooden cases on each case of loss. The mighty always possible (for Lebanese) to tack in hospital Thursday and was

mats to be gross under-estimates.

Inflation is certain to be high on the agenda at a Communist

Party congress in Peking in October, when economic policies

for the next few years will be debated and the economic re-

form programme begun in late 1978 will be reviewed.

Orthodox Marxists in the Communist Party argue that

allowing markets to set prices is chaotic, and that there should

be a return to the pre-reform days of state-controlled prices, while reformers in the party have promised that further prices reforms will be intro-duced this year,

There are disputes, too, on whether the Government should

settle its debts with oil com-panies at the old exchange rate of Ugandan shillings 14 to the dollar, or the new rate of Ugandan shillings 60. Mr Ssali

said that this was still being discussed.

pay with his own shares rather than cash. Here Commission officials are considering

whether to demand independent

Once the offer document has

(thousand billion) and to give the government sufficient borrowing authority to last un-til September 23. The measures were approved just before Congress west into summer recess until September

They effectively put on ice efforts by Congress to revive the Gramm-Rudman-Hollings balanced budget isw which mandates spending cuts to tackie the \$180bn deficit.

Lagos lifts curbs on interest rates

lifted controls on interest raies. the country's central bank announced, AP reports from Lages

The bank said "in recogni-The bank said in reorga-tion of the fact that the effects of interest rate controls have been more adverse than favour-able in prompting the develop-ment of the financial system, all controls on interest rates are hereby abolished."

Banks had not been allowed to charge more than 15 per cent interest. Banking sources said at the weekend that the decision lift-

weekend that the decision lift-ing interest controls was accom-panied by an order to reduce the rate of credit expansion to the private sector from 8 per cent to 7.4 per cent. The sources said this would continue the present credit squeeze and would slow business activity.

PETROL SHORTAGES in The delayed Libran oil usual monthy allocation in Kampala are continuing into their third week amid delays on Uganda's fuel consumption—or oil supplies bought under 1,5000 tonnes of premium, deal with Libra and disagree. The condeal with Libra and disagree. The condeal with Libra and disagree. The condeal with Libra and Western oil Ugandan Uganda in July in return for Government and Western oil companies are pushing for among the six oil companies—aprofit margin of Ugandan Shell, Agip, Total, Caltex, Esso shillings 3.40 per litre, while the Government thinks Ugandan much each was to receive had controlled bed on the sent 1 000 prevented them from collecting. There are disputes, too, on Air-India buys jets

in deal with Boeing AIR-INDA, the Indian sirking, has signed an agreement with Boeing of the US for the purchase of two Boeing 747-300 Combi (passenger and cargo) aircraft, writes R. C. Murthy in Bombay.

The two aircraft, costing \$3.73bn, will be delivered in October and November next vear.

Air-India plans to deploy the new aircraft primarily on European routes to provide six flights a week, of which five will be non-stop services out of either Bombay or Defini. They will also provide cargo capacity to replace the presently leased Boeing 747s.

The airline is also evaluating MD-11s and Airbus A-340s for use on routes with thin traffic.

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Brussels plan for takeover code runs into resistance Britain wants a flexible and sophisticated approach, reports William Dawkins However, the draft raises the prospect of taking extra steps to inform the victim's invest-tors when the bidder plans to

EVERYTHING THE City of London stands for is being challenged by sweeping new rules for an EC-wide takeover code being prepared by the European Commission. diplomat's reaction to the 49-page draft directive on take-

overs, which is now being rushed through the commission rushed through the commission machinery in time for a formal ference from Brussels, argue proposal to member countries stock exchange officials. The by the end of the year.

The scheme is provoking more antipathy from Britain than from any other member principles of fairness and the state, even at this early stage interests of shareholders," says the pater Kanarley segretary. of its formation. This is because it envisages statutory EC-wide rules as opposed to a non-legally enforced pro-fessional code—for protecting

others at the receiving end of a takeover bid. All this runs fundamentally counter to the City of London's

shareholders, creditors and

Mergers can act fast and lutely demand a statutory take- be set against the number of One important unanswered form the authorities and his in-

Mergers can act fast and change fast to adapt to new circumstances in an increasingly active and sophisticated take-over scene, precisely because it does not have statutory backing. As such, the UK Panel can do without bureaucratic interference from Brussels, argue stock exchange officials. "The manual candom and the property of the property of the preference from Brussels, argue stock exchange officials." The manual candom and a statutory take be set against the number of diseases to come out of the number of diseases to come out of the set against the number of diseases whether it should the set against the number of diseases whether it should the set against the number of diseases whether it should the set against the number of diseases whether it should the set against the number of diseases whether it should the set against the number of diseases whether it should the set against the number of diseases whether it should the set against the number Mr Peter Kenerley, secretary of the London panel. A statutory regulatory authority would not be able to do that, he fears. The scheme has also run into opposition from West Germany,

it should be able to delegate certain of its powers." But even if they did finally go for a City of London style gentleman's code, this would be uitimately enforceable by the European Court of Justice in Luxembourg, a notoriously overworked and often slow moving

on the grounds that it thinks

The Brussels authorities concrete, even if at least four member states—easily enough beyond its legal rights, and have a minimum set of rules to form a blocking minority in encountered deep reservations to give "equivalent protection" the Council of Ministers, the "equivalent protection" self-regulatory approach.

from France and Belgium.

to all involved throughout the body which makes the final

Its supporters argue that the

To be fair to the commission.

EC. London's claims for the decision — do not like the

UK Panel on Takeovers and the draft plan does not absovirtues of self-regulation should general shape.

ber states could be inhibiting cross-border bids at a time when EC industries should be joining forces, the Commission fears. For all these reasons, the draft directive forms part of its 300point plan to create a genuinely free internal market by 1992. At this stage, however, the directive is far from set in

the Council of Ministers, the

round time on the railways at companies had leftover stocks their appeals for compensation from June and because the for the loss of 30 per cent of where oil supplies from the Libyan oil was expected, the fact their deposits during a major currency reform exercise in from Libya — arriye.

with around 5,000 shares quoted in the UK as against less than defence tactics 2.000 in West Germany — Commission officials are studying the option of using a public offer as a blanket distinction.

The directive also intends to offer as a blanket distinction.

The directive also intends to other things must state the set the threshold at which its other rules — on issuing an offer document and giving the price, number and type of victim and its shareholders fair time to respond — should apply. It lists three possibilities the products of the company being apply. It lists three possibilities access to the predators' time to respond — should apply. It lists three possibilities, apart from a full hid where the predator is seeking to buy 10 per cent, 20 per cent or more than one-third It says the predator should in-

terests, a clause designed to stop the so-called poison pill Also included in the scheme

are the minimum contents for

come out, the victim is given ten days to respond to make a recommendation to its share-holders, rising to not less than four weeks but no more than seven weeks for final acceptance. Throughout the proc offer documents, which among the supervisory body would be other things must state the obliged to ensure that chare-price, number of type of securi-holders get accurate informa-

valuations.

Commission officials stress however, that the draft is at this stage only an indication of their thinking rather than a fire access to the predators' final proposal. They are due annual accounts for the preto meet national experts again the right to ask for an interim accounting statement. Druckerei GmbH. Frankfart/Maid.
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Central American Presidents propose settlement of long-running civil wars, reports David Gardner

Reagan initiative prompts new regional peace plan

THE PEACE plan signed by to its chances of successive Central American presidents late on Friday in Guatemals City was distilled from and El Salvador's civil five years of painfully slow pro-

five years of painfully slow progress towards a settlement to the region's civil wars and efforts to prevent a regional conflagaration.

The main obstacle to a settlement has been the Reagan Administration's implacable hostility towards the ruling left-wing Sandinistas in Nicerangua and its supicion of any accord which appears to legitimise their hold on power there.

It is ironic therefore that it now seems that Washington's decision to spring a new diplomatic initiative on the region last Tuesday was a major element in concentrating Central

The plan calls for simul-

taneous conseñres in Nicaragua and El Salvador's civil wars and the lower-key but older Goate-

last Tuesday was a major element in concentrating Central america's leaders' minds on their own faltering peace efforts and to everyone's suprise almost stampeding them into signing the most promising plan to date to pacify and democratise the bloodsaked isthmus.

Neither Washington was in the multilateral commission is to be made up of the secretaries general of the UN and US-dominated Organisation of American States (OAS) or their nominees and foreign ministers from the five Central American pacity and democratise the bloodsoaked isthmus.

Neither Washington



regional peace treaty, there have been important differences in its drafting and management.

staunch US ally and presented in February. But from the end of last year it has been receiv-ing input from senior US Democratic Party politicians and their staffs, such as Sen Chris-topher Dodd.

This has been important in guiding the accord towards what could play well in Washington, and put the Reagan Administration on the spot.

efforts and to everyone's nominees and foreign ministers from the five Central American signatories and earlier Contadora peace initiative.

Neither Washington nor the right-wing Contra rebels it backs in their efforts to topple the Sandinistas are party to the plan, and US willingness to support its provisions is eritical ment, the church, all legally
American States (OAS) or their ministers from the five Central American indicates stampeded into signing

Daniel Ortega: stampeded into signing

The Arias plan, which the Sandinistas were reluctant to accept to the last, was presented to the last, was presented to the last, was presented by the Guatemalas and Costa Ricans as essential if the plan were to have any chance of being considered by the US.

Negotiations on armaments and troop level reductions, where progress had already been made in principle, are to had been led to understand that plan is regional, like the new

continue under the aegis of the Contras had enough Contadora group.

Though this plan embodies most of the same edifying principles of earlier peace efforts, particularly the Contadora draft regional peace treaty there.

The Contras had enough weaponry in the pipeline over the next 150 days for this specific calendar to be regarded with relative equanimity by the Administration.

The US does not recognise the 1604 leaves on the Sandinistas introducing greater democracy there.

The plan is drafted to centre on external arms supplies to irregular but not regular forces.

This reassured the Sandinistas, while envisaging an immediate President Oscar Arias of Costa on the one hand, since the Rica, the region's one convensory and arm them for the time being. But at the same time the US

can continue to prop up the failing Christian Democrat regime of President Jose Napoleon Duarte in El Salvador, which gets direct American economic and military aid of over \$2m a day.

Central American officials at the summit tacitly admitted that the plan's chances of resolving the Salvadorean civil war, where the two sides remain

ceasefire, centres on the lifting of all restrictions of the opposition and the agreement of a timetable and procedure for new elections within 60 days.

For the first time, Washington dropped its long-standing explicit demand that the Sandinistas negotiate directly with the Contras.

But, as a State Department official attending the summit as an observer admitted privately, Washington appears not to have anticipated that President Daniel Office treatment dent Daniel Ortega would cautiously welcome the US approach, much less put his name to the liberalisation measures in the Arias plan.

If the Sandinistas follow through with this, the State Department official observed sceptically, "of course we'll have to stop backing the Contras."

Garcia obeys court order to suspend Peru bank takeovers

suspended government take-overs of the 33 financial institu-tions that he intends to nationalise. In doing so Mr Garcia obeyed court orders issued last

At a well-attended weekend rally of the ruling party, APRA (American Popular Revolutionary Alliance) the president announced the suspension and in an unusual display of party division was jeered by the party faithful.

Mr Garcia said: "I am not interested in temporary take-overs. What interests me is the overs. What interests me is the deeper issue, nationalisation. Neither do I want it said in the future that this government fell into illegality by maintaining a takeover in spite of a court order."

At the weekend Mr Garcia also said that he was obeying the court orders because he too of a previous legal provision that allowed foreigners to own up to 33 per cent of Peruvian private banks.

Mexican consumer prices rose 6.1 per cent in July after a 7.2 per cent increase in June to bring accumulated inflation for 1987 to 67.5 per cent. Reuter reports from Mexico City.

PRESIDENT ALAN Garcia has wished to avoid giving the right wing ammunition to attack his government.

"I do not want to lead this government headlong into a dictatorship. I am not Salvador Allende. I will not permit this government to become like Allende's." Mr Allende as the week.

The 120-day takeovers had been ordered by Mr Garcia as an interim measure while nationalisation legislation was

Allende. I will not permit this government to become like Allende's." Mr Allende was the socialist president of Chile overthrown in 1973

The court decisions on the

The court decisions on the legality of the takeovers are due this week. So are the Congress's first amended ver-The as yet unspecified amend-ments included some type of management and the elimina-tion of a previous legal pro-vision that allowed foreigners

Hyper-inflation spectre haunts Argentina

New signs

over Tamil

agreement

MR Ranssinghe Premasada, the Sri Lankan Prime Minis-

the ori Lankam Frime game-ter, who has been a consis-tent critic of India's role in the island's ethnic conflict broke a two-week silence at a rally near Colombo over the weekend.

Mr Premanda who was abroad when the India-Sri Lanka peace accord was secretly negotiated by President Junius Jayawardene said: "We like to see this country undivided. The country had been broken into

country had been broken into parts. Our ancestors made it into one single country. In order to protect our heritage we must see "hether the agreement between our president and the Indian prime minister will prevent the division or will cause the division of will cause the

division.
Obviously conscious of the

ozity plus a referendum.
Mr Premasada's remarks are bound to fuel speculation of continuing deep rifts within

continuing deep rifts within the government.

President Jayawardene, meanwhile, has said in an interview If the surrender of arms, which seems to be going smoothly, is completely successful and there is peace in the north, he could ask the indian peace keeping force to leave after the emergency in the north and east is lifted by August 15 as stated in the accord.

The police could then main-tain law and order and Indian

troops could leave by about August 28. But he was not working to a strict time-table.

he said, adding that all deadines, have had to be

32.24

of rift

THE SPECTRE of hyper-inflation. As returned to the gramme. This involved cuts in a relatively small swing in voting behaviour. The loss of Argentine economy, with the government spending and inflation rate figures. According were introduced alongside tight to the government statistical institute, consumer prices rose controls with the primary aim of sherply reducing the fiscal wholesale prices \$7 per cent.

These are the highest month, and wholesale prices \$7 per cent.

These are the highest month programme. The successive new price controls with the primary aim of sherply reducing the fiscal deficit.

These are the highest month and rade union leaders, the size stabilisation programment stabilisation programment seconomic strategy introduced in June 1985, and trade union leaders, the that so-called Austral Plan, was appears to be in serious difficulties. The monouncement of the the so-called Austral Plan, was appears to be in serious difficulties. The monouncement of the the so-called Austral Plan, was appears to be in serious difficulties. The monouncement of the third programme and rade union leaders, the primary of the primary stands are exceeded earlier estimates for July made by the central bank. However, both supply and demand side factors are tried in retail prices. The government has not yet in June) and while the government are processed to lead to outright to be leading to the leading the majority could severely handson. The majority could severely influence of its term of office up until 1889.

Recent jumps in prices for meat, vegetables, transport and trade union leaders.

The government are strained by the properations of the Austral Plan are influenced in June and wage

AGREEMENT ON ECONOMIC CO-OPERATION

Moscow to build up ties with Iran

BY OUR MOSCOW CORRESPONDENT

sharp difference; between himself and President Jayawardene he noted that the constitution gives the president "only executive powers."

We Praymedeen said that the Mr Premadesa said that the agreement must be enacted as legislation. In parliament. Any citizen, he said, can go to the courts to test it, if he thinks it violates "the funda-mental principles" of the con-The Supreme Court will rule whether it requires a simple majority, a two-thirds majority or a tw



gulf war and streng.

standing in the region.

With attention focused on the tense situation in the Gulf, announcement of the agreement raised concern in the West that the move could have major the move could have major Last December, the two sides announced agreement on some aspects of Iranian natural gas exports to the Soviet Union as the return

But well-informed sources in Moscow say the move toward improved Soviet-Iranian economic cooperation appears to be only an agreement in principle at this stage, with no evidence of a signed accord for major industrial or oil-related projects.

The agreement was announced in broad terms by the official Tass news agency after a visit to Tehran last week by Soviet demanded by Tehran's newly-iranian natural gas exports to the Soviet Union as part of an economic protocol which also foresaw the return of hundreds of Soviet experts sent home from Iranian natural gas exports to the Soviet Union as part of an economic protocol which also foresaw the return of hundreds of Soviet experts sent home from Iranian steel mills and power plants when it and power plants when it again to find the protocol which also foresaw the return of hundreds of Soviet experts sent home from Iranian steel mills and power plants when it again to find the protocol which also foresaw the return of hundreds of Soviet experts sent home from Iranian steel mills and power plants when it again to find the protocol which also foresaw the return of hundreds of Soviet experts sent home from Iranian steel mills and power plants when it again to find the protocol which also foresaw the return of hundreds of Soviet experts sent home from Iranian steel mills and power plants when it again to find the protocol which also foresaw the return of hundreds of Soviet experts sent home from Iranian steel mills and power plants when it again to find the protocol which also foresaw the return of hundreds of Soviet experts sent home from Iranian steel mills and power plants when it again to find the protocol mills and power plants when it again to find the protocol mills and power plants when it again to find the protocol mills and power plants when it again to find the protocol mills and power p

revidence of a signed account major industrial or otherelated projects.

The agreement was announced in broad terms by the official Tass news agency after a visit to Tehran last week by Soviet Iran suspended gas deliveries to Moscow in 1980 when Moscow rejected a major price increas; demanded by Tehran's newly demanded by Tehran's newly installed Islamic government. Under a 1970 contract Tehran had been supplying 10bn cubic metres annually through its obviet Union. But a republics of Armenia and Soviet Union. But a republics of Armenia and Azerbatjan. This allowed rail links between Iran and Soviet Central Asia.

Iraq began pomong targets in mid-1983.

Iran suspended gas deliveries to Moscow in 1980 when Moscow Yuli Vorontsov: pact with Iran Soviet in mid-1985. Iran suspended gas deliveries to Moscow in 1980 when Moscow Yuli Vorontsov: pact with Iran Soviet aperts are due in Tehran this month to discuss plans for transporting Iranian through its river and could be of Gulf, however, and could be of Gulf, however, and could be of future strategic interest for the Soviet Union.

With Washington embrodied in the Iran arms sales scandal and with mounting domestic opposition to US military protection of Kuwaiti oil shipping in the Gulf, Moscow and Tehran is reached, oil with Central Asia.

Other possible projects menotation for the gas Moscow to export more of its gas to Western Europe.

In exchange for the gas Moscow and Tehran this month to discuss plans for transporting Iranian of through its river and could be of future strategic interest for the Soviet Union.

With Washington embrodied in the Iran arms sales scandal and with mounting domestic opposition to US military protection of Kuwaiti oil shipping in the Gulf, Moscow and Tehran have also been edging closer on the diplomatic front.

Tahran this month to discuss plans for transporting Iranian of through its river and could be of future strategic interest for the Soviet Union.

With Washington embrodied in the Iran for talks be expected in the Iran for talks b

Soviet Central Asia.

Other possible projects mentioned in Moscow include corversion of Iran's gas pipeline of Isfahan and provided plant and technology for other proto the Soviet Union for oil deliveries, transit facilities to link Iran's Caspian Sea ports with the Black Sea, joint Caspian oil prospecting and Soviet a return of the Soviet experts who serviced these installations.

The granting of transit facilities for Iran to the Black Sea also remains in doubt. Moscow deliveries, transit facilities to been no confirmation to date of with the Black Sea, joint Caspian oil prospecting and Soviet co-operation in Iranian steel milling, power and dam-building projects.

Iran and the Soviet Union have been seaking to improve



a political settlement in the Gulf war, with the Soviet Union serving at mediator with Baghdad. This would enhance Soviet credibility among Arab states in the Gulf region. z Moscow is also hoping for a

reduction of Iranian support for Moslem guerrillas fighting the Soviet-backed government the Kabul, although this is seen as a lesser objective. For Tehran, Soviet co-operafor Tenran, Soviet co-opera-tion would help ease the burden of the war and could in a limited measure compensate for its isolation from Western

in the Gulf, Moscow and Tehran have also been edging closer on the diplomatic front.

Tehran, which shares Moscow's interest in diminishing the US military presence in the Gulf, this week endorsed a Soviet call for the removal of all foreign warships from the area.

In seeking to improve their relationship, both sides stand to gain through long-term economic co-operation.

would fiow through a pipeline currently used for exporting gas to the Soviet Union.

Aqazadeh said 700,000 barrels through the gas pipeline to Baku on the Caspian Sea in the Soviet Agian republic of Azerbaijan.

Through Soviet territory, oil would be transported westward to Black Sea ports, where shipments would be handed over to Iran for sale on the foreign market, Aqazadeh said.

SHIPPING REPORT

Big increase in Gulf chartering activity

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

fixtures concluded was "remark-able," especially in the light of Iran's declaration of a "no go area" during its extended naval

area" during its extended naval manoeuvres.

The main reason for the increased activity appeared to be a significant rise in oil production by Gulf members of the Committee of the London insurance market. He was, however, certain that the indian troops would not be here when elections are held. The agreement calls the control of the control of

At the elections, in the north and east, there will be only "observers," he said. He described them as "political electrons" (not military) including the Red barrels per day from Kuwaiti market and the Institute of terminals, well in excess of London Underwriters. Kuwait's Opec quota of 0.996m The increase appeared to be

at around Worldscale amed moving loading Arabian the West despite a big increase in the number of ships waiting will also

porting Countries — particu-larly Knwait.

The committee raised rates from 0.2 per cent to 0.375 per larly Knwait. cent for voyages north of lati-Charterers are thought to tude 27 30 North. Its ruling is have been shipping around 1.7m biding on the Lloyd's insurance

b/d.

As a result, rates remained steady, at around Worldscale 60 for a 250,000 tons cargo to the West, despite a big increase in the number of ships waiting.

The increase appeared to be aimed primarily at cargoes moving out of Kuwait, although loadings at the northern Saudi Arabian ports of Ras Al Khafji, Ras Al Mishab and Saffaniya will also be affected.

SHIPBROKERS reported a big increase in tanker chartering activity in the Middle East Gulf last week, despite the contiming tension in the area.

E. A. Gibson, the London brokers, said the number of fixtures concluded was "remarkable," especially in the light of cargoes.

Cargoes from Iraq and the northern coast of Iran are not affected by the increase since they are already covered only on special terms at the discretion of underwriters.

Hull insurance premiums are not affected by the increase. Since they are already covered only on special terms at the discretion of underwriters.

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The

World Economic Indicators INDUSTRIAL PRODUCTION (1980 = 100) % change

	June 87	May 87	Apr. 87	June 86	over previous year +3.2
US	118.0	117.8	117.2	114.3	+32
	May 87	Apr. 87	Mar. 87 123.9	May 86	
Japan	120.2	121.9		121.3	-0.9
Japan UK	113.3	112.0	1128	10 9 .1	+3.9
	Apr. 87	Mar. 87	Feb. 87	Apr. 86	
W. Germany	165.3	105.4	186.6	110.7	-4.9
France	101.8	302.9	102.2	103.8	-1.9
Italy	102.2	100.9	. 99,9	100.2	+2.0
Netherlands		108.4	105.3	108.6	-3.7

Soure (except US, UK, Japan): Eurostat

(Incorporated in the Republic of South Africa) Registration No. 60/01900/06

INTERIM REPORT FOR THE SIX MONTHS TO JUNE 30 1987 AND DIVIDEND NOTICE

	Six m	Year to	
	30.6.87 Unaudited	30.6.86 Unaudited	31.12.86 Audited
CONSOLIDATED INCOME STATEMENT	R'000	R'000	R'000
Turnover	386 988	377 467	816 337
Profit before taxation	36 023	42 070	97 934
Lees: deferred taxation	5 750	10 085	32 995
Not profit after taxation	30 272	31 985	64 939
Net profit after taxation Less: outside shareholders' interest	2 521	1 968	· 4795
Net profit attributable to Highveld share-			
holders	27 752	30 017	60 144
Number of ordinary shares in issue at end			
of period	70 95 3 775	70 779 975 42.4	70 843 575 85.0
Earnings per share (cents)	29.1 10.0	10.0	10.0
final	_	_	20.0

The unaudited attributable profit for the six months ended June 30 1967, after providing for financing charges of R12 909 000, depreciation of R16 626 000, deferred tax of R5 750 000 and minority shareholders' interest of R2 521 000 was R27 752 000 compared with R30 017 000 for the same period in 1986. Owing to allowances arising from high levels of capital expenditure over recent years, there was no normal tax

Earnings per share decreased to 39.1 cents compared with 42.4 cents in the first six months of 1986 and, in view of these results, the board has decided to maintain the interim dividend at 10 cents per share (1986: 10 cents), payable in October 1987 at a cost of

World apparent steel consumption in 1985 remained at approximately the same level as in the two previous years and the International Iron and Steel Institute's latest forecast for 1987 indicates no significant change.

in South Africa no real increase in consumption of steel as been apparent, but it would appear that inventories were reduced in the first quarter and an increased buying pattern developed in the second quarter. The Mossel Bay development has been the focus of much attention and, although there are certain width limitations in the plate mill, Highveld is well placed to meet certain of the specifications and intends to participate actively in this important project.

The demand for vanadium has continued at a reasonable level and the supply/demand position has been maintained in balance, with Vantra playing its traditional role in flexing production. Improved demand for ferro-alloys during the second quarter has resulted in a satisfactory level of production being maintained at both Rand Carbide and Transalloys, Rheem performance has also been satisfactory and above expectations for the year to date.

Under prevailing conditions, forecasting is particularly difficult but, assuming no major disruption from industrial action and no additional trade sanctions, it is expected that earnings in the second half of the year will be at a similar level to those in the first half.

CAPITAL EXPENDITURE

Capital expenditure in the six months to June 30, 1987 amounted to R11 315 000 (1986: R7 286 000) and the total commitment in respect of further capital expenditure was R5 832 000 at June 30 1987 compared with R3 745 000 at December 31 1986.

SHARE CAPITAL.

Witbank

August 7, 1987

District Withank

(P.O. Box 111, Witbank, 1035)

The issued ordinary share capital has increased to R70 953 775 by the allotment of 110 200 shares to participants in the Share Option Scheme. At June 30 1987 11 200 variable rate redeemable cumulative preference shares had been issued at a total issue price of R157 million.

In terms of a members' resolution passed on July 3 1987, the authorised share capital of the corporation was reconstituted to consist of 70 953 775 ordinary shares of R1 each, 4036 225 S ordinary shares of R1 each and 1000 000 variable rate redeemable cumulative preference shares of 1 cent each. The S ordinary shares were created by conversion of the unissued ordinary shares, for the purpose of identifying future issues of shares.

DECLARATION OF DIVIDEND NO. 28 (INTERIM)

A dividend No. 26 of 10 cents a share, being the interim dividend in respect of the financial year to December 31 1987, has been declared payable on October 16 1987 to shareholders registered in the books of the corporation at the close of business on September 11 1987.

The dividend is declared in the currency of the Republic of South Africa. Dividend warrants will be posted from the office of the transfer secretaries on or about October 15 1987.

Any change of address or dividend instruction to apply to this dividend must be received by the corporation's transfer secretaries not later than September 11 1987, Shareholders must, where necessary, have obtained the approval of the South African or any other exchange control authorities having jurisdiction in respect of such

The share transfer register and register of members will be closed from Saturday September 12 to Saturday September 26 1987, both days inclusive. In terms of the Republic of South Africa Income Tax Act 1962, as amended, non-resident shareholders' tax will be deducted by the corporation from dividends payable to those shareholders whose addresses in the share register are outside the Republic. The effective rate of non-resident shareholders' tax is 15 per cent.

The abridged unaudited consolidated income statement of the corporation and its subsidiaries for the half year to June 30 1987, is contained in the accompanying interim report of the corporation for the period.

For and on behalf of the Board

L. Boyd (Chairman) Directors

J. Hall (Managing Director)

Transfer Secretaries: Portion 29 of the farm Schoongezicht . Consolidated Share Registrars Limited 40 Commissioner Street Johannesburg 2001

(P.O. Box 61051, Marshalltown 2107)

Bifu staff at Barclays and

NatWest to vote on strikes

Ralph Atkins looks at the continuing surge in the retail sector

Richer Britain on a buying spree

THE BUSTLING and opulent shops along Oxford Street in London bear witness each Saturday to the continuing surge in Britain's retail sector.

Since 1982, the annual volume of retail seles has grown an average 5 per cent—consider-ably ahead of manufacturing output or real national incom The crowded high streets are taken by the Government as Mustrating a strong economic recovery. But there are worries about the role imports play in meeting demand and the efficacy of an unprecedented expansion in consumer credit.

The retailing increase has been due principally to large increases in real earnings—recently boosted by tax cuts. In the four years to 1986, average earnings grew 7.5 per cent a year while average prices rose less than 5 per cent.

The surge in retail sales has stimulated domestic production and created jobs—although the jobs are part-time or taken by women. But it is not all good

main worry is that British manufacturers are prov-

only by Australia among other Industrialised countries.

If the retail sector is taken in isolation, the British propensity to import goods is higher still—with imports rising perhaps twice as fast as sales. Retail exports are considerably less elastic.

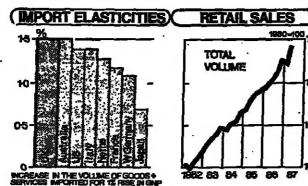
There is evidence of this in May's trade figures which showed imports, including con-sumer goods, rising sharply but

a weak export performance.

Trade figures for June, to be published tomorrow, are expected to show a trade deficit of between £700m and £800m compared with £1.16bn in May.

The figures will be scanned for further evidence of the surge in retailing resulting in excessions.

I. Capital increase.



retail sales.

effect on unemployment is credit advanced by retailers, lessened by the fact many of the finance houses and bank credit cards was 11 per cent higher than in the previous three

A further increase is expected

backed by rising earnings and There are worries also about only slightly lower saving rates. the possible inflationary effects. In addition personal wealth in of the growth in bank borrowing the form of financial assets has and credit card purchases which risen-helped by privatisation

In the three months to May, remains a matter of official con-credit advanced by retailers, cern — not so much because of any possible inflationary pressure but on the grounds that excessive borrowing is not pru-dent if people become over-

British manufacturers are proving inadequate in the face of surging demand—a problem caused by Britain's historically high propensity to import.

Typically a 1 per cent increase in national income results in a 1.5 per cent rise in the volume of goods and services imported. This is matched only by Australia among other exports and expanding consumer credit

Mr Ian Harwood, chief economist at Warburg Securities, says: "When people look to credit demand as an explanation they are missing the point that

SOCIETE GENERALE DE BELGIQUE

GENERALE MAATSCHAPPIJ VAN BELGIE

Public Limited Company

Incorporated in Brussels by Royal Decree on August 28, 1822

Registered Office 30 rue Boyale, 1000 Brussels

Trade Register Number: Brussels 17487

The Management is pleased to invite shareholders to attend the Extraordinary General Meeting to be held on Wednesday, August 26, 1987 at mid-day in the company's reception rooms at 30 rue Royale, to vote on the following agenda:

AGENDA

Initial capital increase for an amount of BFr 3,011,246,546 by the issue of 2,405,149 "part de réserve" shares.

The amount of the capital increase and the number of shares may be increased in line with the number of "part de réserve" shares issued after June 30 1987 and up to six days before the subscription lists open as a result of the exercise of warrants attached to the 2;% 1987-94 DM bonds of Generale International Finance, Luxembourg "GIF" S.A.

These "part de réserve" shares will be identical to existing shares, except that they will only carry dividend entitlement as from 1 January 1988 and they will not enjoy the special rights and privileges temporarily linked to the 5,171,702 AFV shares issued following the Extraordinary General Meeting of 25 October 1983.

They will be issued at an accounting par value of BF 1,252 plus a premium calculated in such a way that the issue price is not less than 75% of the average stock exchange price during the three months ending on the day before the price is fixed, nor more than the highest stock exchange price recorded during the eight days procedure the fixing of the price, corrected to allow for the difference

in dividend entitlement.

They will be offered for public subscription for cash on a preferential basis, without fractions of shares being issued, to holders of existing shares, including those resulting from the exercise of warrants attached to the above-mentioned bonds, in the proportion of one new share for every ten old ones. The shares must be fully paid up upon application. Charges will be borne by the company. A second capital increase for an amount of BF 62,600,000 maximum by the issue of \$0,000 "part de réserve" shares maximum—they will be issued at the same subscription price as the shares referred to under point 1 and will be identical to them in all respects.

Report of the Board of Directors and the Examining Andline and minutes.

Report of the Board of Directors and the Examining Anditor and waiver of pre-emption rights by shareholders.

These shares will be offered for subscription for cash to members of the company's staff and to managerial staff of affiliated companies in accordance with the criteria, terms and conditions laid down by the Board of Directors

the assuing company.

the shares must be fully paid up upon application. Charges will be borne

The shares must be fully paid up upon approximation. Charges will be burked by the company.

Laying down as a condition sine one non for the capital increases that the underwriters have not exercised their option to withdraw their undertakings for any of the reasons below at the latest on the last bank working day before the subscription lists open:

—the occurrence in Belgium or abroad of a political, military, economic, financial, monetary or social event liable to jeopardize the issue;
—closure of the Brussels Stock Exchange for at least two consecutive business days:

days;

—a fall of more than 300 points in the general return index of Belgian shares published by the Brussels Stock Exchange Commission compared with the index on the day the underwriting agreement is signed.

4. Allocation of issue premiums resulting from the above capital increases to an unavailable issue premium account which, along with other contributions, will constitute a guarantee for third parties and may only be reduced or abolished by resolution of the Extraordinary General Meeting passed in accordance with Article 72 of the Companies Act.

Tamesana of the standary reserve by the amount required to bring it up to one

Article 72 of the Companies Act.

5. Increase of the stantory reserve by the amount required to bring it up to one tenth of the company's new capital, by withdrawal from the available reserve.

11. Authorisation to be given to the Board of Directors:

-to increase the company's capital by BF 20 billion in one or more instalments within a renewable period of five years by contributions in cash or in kind or by capitalisation of reserves in replacement of the balance of the authorised capital created on 7 March 1985 which was still available after allowing for the amount set saide for the exercise of outstanding warrants.

-to issue convertible bonds or bonds with subscription rights within the limits of the authorised capital.

-to restrict or abolish, in the company's interests, shareholders' pre-emption rights in the case of capital increases for cash or issues of convertible bonds or bonds with subscription rights.

11. Alteration of the Memorandum and Articles of Association:

1. Alteration of Article 3 to update it and bring it in line with the preceding resolutions:

resolutions:

2. Alteration of Article 32: in the first paragraph, replace the words 'the first Tuesday in May' by the words 'the third Tuesday in June'.

IV. Powers of the Board of Directors to implement resolutions adopted by the General Meeting, particularly in respect of fixing issue prices.

In order to attend this Extraordinary General Meeting, shareholders must, in accordance with Article 29 para. 2 of the Memorandum and Articles of Association, deposit their shares by Wednesday 13, August at the latest either with the company or with Banque

Beige Ltd.

In case this Extraordinary General Meeting does not fulfil the conditions required by the law, to deliberate validly on August 26, 1987 the above mentioned agenda, a second Extraordinary General Meeting will be convoked in the same place, with the same agenda on Tuesday September 8, 1987.

Brussels, August 8, 1987

E. DAVIGNON

Director
J. de PAUCONVAL

clear whether credit is a cause to engineer a one percentage or an effect of expanding retail point increase in base rates last week but it is doubtful whether long-term trends in retailing.

"In practice if will probably take a more significant rise in base rates to have a perceptible effect on the amount of borrowing and spending power," said Mr Revin Boakes, British economic of Command Montager mist at Greenwell Montagu. Some ciues to whether strong retail sales are sustainable come from an analysis of trends with-

poised to sell 10 more subsidiaries cial Times survey of distributive trades for June, retailing growth is being led by audio visual, photographic and

By Kevin Brown, Transport Corresp

"white" goods like washing

In a report published last

month, Verdict Research, a

specialist analyst of the retail

trade, showed do-it-yourself

But, if Verdict is correct and

now maturing with less right being given to the purchase of expensive items. This could provide the incentive

their strength is sustained into

the next decade, it suggests the profile of the average consumer

for domestic manufacturers to

extend their investment in these

At the same time the con-

inuing surge in retail sales

shows no signs of absting. The

Earnings are expected to con-

cuts. Inflation, although fore-

cast to rise, will probably not

erode real income growth until the second half of 1988.

Saturday morning shopping oks set to remain a crush,

THE SALES of up to 10 National Bus Company sub-sidiaries are expected to be announced shortly as part of the Government's privatisation

programme.

NBC is believed to have reached agreement with buyers on the details of most of the sales, which require final approval from Mr David Mitchell, the Transport Minister.

However, it is thought that no agreement has been reached on the sale of either the National Express coach franchise operation, or of National Travel World, a chain of 87 travel agencies. stores, women's clothing, electrical retailing and department stores all increasing their share of retail trade between 1980 and 1986. It predicts they will account for a still large share The common characteristics these goods are that they have a high import content and travel agencies.

generally non-essential, These are the largest NBC subsidiaries still unsold, and have been the subject of an extensive advertising campaign in recent weeks. bought when consumers have the basic requirements of life. In the 1960s and 1970s these itegories generally accentuated Prices for the 73 NBC sub-sidiaries have increased steadily over the 13 months since sales began, and the value trend of total retail sales - with sales particularly high only when retailing was been-

of the company is now expected to total £200m—double the initial estimate.

initial estimate.

National Express and
National Travel World are
expected to raise up to £25m.

Mr Rodney Lund, NBC chairman, has so far sold 41 subsidiaries, of which 26 have gone
to management or employee

The latest sales were Milton Keynes City Bus, bought by its management, and Western National, bought by Plympton Coschlines Coachlines, a Plymouth coach

Plympton Coachlines has expanded into local bus operations since deregulation of the bus industry last October and is backed by Badgerline, a privatised former NBC subsidiary in Bristol, which will have a "substantial" shareholding.

Mr Mitchell said the decision to sell Western National to Plympton Coachlines was taken only after "the most careful consideration" of bids and relevant information. The sale process had attracted considerable publicity in Cornwall and South Devon. latest official figures show a 2.5 per cent rise in the volume of sales in the second quarter of timue rising, helped by a series of relatively high public sector settlements and further tax

National Bus

and National Westminster up a 5 per cent pay rise imbanks are to be urged to underposed at each one.

A 64 per cent majority favoured a work-to-rule and 54 per cent favoured luncheims

ABOUT 33,000 staff at Barclays launched before Lloyds topped had pointed the way to resolv-and National Westminster up a 5 per cent pay rise im-banks are to be urged to under- posed at each one. A 64 per cent majority favoured a work-to-rule and 54 per cent favoured lunchtime Lloyds settlement.

Barclays said less than 10 per cent of its staff had refused 1: undertake overtime. The dis-Members of the Banking, insurance and Finance Union will be balloted on stepping up industrial action to include one-day stoppages, a ban on lunch-time working and a work-to-rule. An overtime ban has been in force for the past nine weeks.

Bifn's national executive decided to seek an escalation of action this weekend after receiving the results of a consultant of 46,000 members at the three banks,

stoppages, but there was a narrow majority against one-day strikes, repeating the vote against such stoppages in Bifu's national executive decided to seek an escalation of action this weekend after receiving the results of a consultant of 46,000 members at the three banks, secretary, yesterday said Lloyds

Havered a work-to-rule dunchtime cent of its staff had refused 1.5 undertake overtime. The dispute's effect had been minimal. The bank insists it will not add to the 5 per cent pay award. NatWest has said it is consider in the stituation.

Bans on overtime and co-operation with Barclays Connect direct-debit card have also been imposed by the separate Barclays Group Staff Union.

This represents about 40,000 staff and is conducting its own ballot on whether industrial action should be stepped up.

Willis reform plan doubted

SENIOR TRADE union leaders are becoming more sceptical of reservations suggests Mr about the practical value of Willis is likely to face a difficult proposals on new forms of union time in getting through the proposals on organisation presented by Mr time proposals on organisming time proposals on organisming time in getting through the UC secretary, accepted that the proposals on organisming unions and members needed to secretary. Last month he proposals on organisming unions and members needed to be examined seriously but said the TUC and its affiliated unions. He urged reshaping of activities towards greater tioned who would be Highly to decide a mechanism to determent.

He presented specific conmine which unions should have He presented specific, concrete proposals including:

Establishment of designated organising areas to give individual unions a clear run at par-

ticular non-union companies.

Setting up a TUC organising fund to help finance such operations.

Renewed stress on services offered by unions to employees.
The initiative was broadly welcomed at the time by most unions represented on the TUC's employment policy committee. However, some union leaders on the left, centre and title the street of the s

mine which unions should have specific organising areas. He said: "Congress House has never organised workers, while we have spent a lot of money training organisers. The whole idea of spending more money so that Congress House could do it is ridiculous." Another leader, on the left, said it was not true that the proposals had been widely welcomed. right of the union movement are now privately critical of some detailed proposals.

Though opposition from the union left to the initiative might

The leader of one of the TUC's larger unions described them as a dead duck and questioned who would be likely to decide a mechanism to determine which unions should have

union companies was par-ticularly unworkable. Putting another union in an area after such a period might lead to the second union claiming success

Another general secretary said some ideas in the paper by Mr Willis on union promo-tion would survive but that on have been expected, the significance of some of the criticism now being privately voiced by whether the proposals should be union leaders is that part of it stems from some who favour a kind of re-emphasis on organisa. TUC leaders, in the light of such points, are considering

British Coal's flexible working setback

BY CHARLES LEADSEATER, LABOUR STAFF

MEETING on Westnesday cussion of flexible working. In-National Union of Mine-workers's leaders over the corporation's disciplinary code could also determine whether the corporation is likely to make early progress with its plans to introduce dearble working.

An area delegate conference of South Wales NUM over the weekend made clear that anger at the revised code meant it was unlikely union leaders would be able to discuss facilities.

working until the disciplinary issue was resolved. The conference decision is a

hy Fidelity, Henderson and Murray Johnstone. These managers are to run aggressive, concentrated portfolios de-signed to beat the index, while the indexed core will provide safety and diversification.

custion of fiexible working. In-stead, the conference concen-trated on the disciplinary code.

The South Wales leadership is cautiously optimistic that Wednesday's meeting might prostead, the conference concen-trated on the disciplinary code.

Mr Des Dutfield, South Wales

NUM president, accused British

Coal of throwing a hand-grenade
into industrial relations by introducing the code without consulting the union. It was introduced in March as part of
the corporation's pay settlement
with the breakaway Union of
Democratic Mineworkers. The
pay ward and code were then
imposed on the NUM.

Several delegates called on Mr Duffield to make clear to the area's miners that the union's ballot on industrial action over

vide the basis for a resolution of the issue. Miners' lenders believe British Coal is worried that the industrial-action ballot would record strong opposition to the code. They believe this pressure, added to the prospect of further delay to talks on flexible working, which the corporation believes is vital to the industry's competitiveness, may persuade it to moderate its

The meeting in London on Wednesday was arranged after setback to British Coal because South Wales was the only area the code could not be used as a mandate for strike action. The union had mandate for strike action. The initially said it would only dismould agree to the concept of industrial-action ballot is due six-day production for a new mine, the planned 290m Margam drift mine.

The area delegate conference issue it is likely a vote for interpretation of the union's areas issue it is likely a vote for interpretation of the union's areas issue it is likely a vote for interpretation of the union's areas of the union's ar

John Gapper on the Stakis experience

Hotel and restaurant wages council puts in slim order

THE ANNUAL order of the to the fragmentation of staff Licensed Residential Establishment and Licensed Restaurant Wages Council is a rather slim document these days: a single sheet of paper with three figures on it has replaced what was once a booklet detailing myriad working rates and conditions. ditions.

The full implications of this change are only dawning slowly on most hotel and restaurant om most hotel and restaurant employers and workers but those who have come into contact with Mr Colin McGrath since his arrival as Stakis's personnel director a year ago have had a brisk education.

One is Mr Eddie Newell, national industrial officer of the GMB general union's hotel and catering workers section, from catering workers section, from which Stakis, the Scottish hotels, restaurants and gaming group, withdrew recognition after the breakdown of talks on new working conditions last

new working conditions last year.

"I don't know what is going on there except that I have been given my marching orders and there is an employer who wants to adopt a macho style and implement exactly what he likes without proper negotiations," says Mr Newell.

Mr McGrath, too, can be critical of hotel employers. Those unwilling to seize what he considers a new opportunity to change working practices in large hotel chains to the benefit of both workers and employers receive short shrift.

His views on the doubters are pithy: "The traditionalists say

pithy: "The traditionalists say that you cannot do this sort of thing because of the tremendous peaks and troughs in the hotel business. I say 'rubbish'."

His key proposal is for the multiple skilling of some workers who would be able to switch between hotel areas. In

watching closely to see if Stakis manages to bring about the change, which represents a parallel to the type of increases in worker flexibility which unions are being pressed to accept in manufacturing in-

accept in manufacturing industry.

Levels of unionisation at
individual sites in the hotel and
catering sector are commonly
low and unions have often
relied for their bargaining
strength on minimum wages
and conditions being set
nationally by wages councils to
which they are party.

It has enabled them to wield
what some employers recorded what some employers regarded as disproportionate influence. "I always wanted to talk to representatives directly elected

the scope of the annual wages consultation once the turnover council order to hotel and of staff has led to the lapsing restaurant employers and of its statutory obligation to council order to restaurant employers and of its statutory verspension placed most staff conditions outdoes.

The act meant that employers are siven virtually a now oversees only single basic and overtime rates and the first hard. The act meant that employers were given virtually a free hand. The trade unions were worried about that and I

• Derecognition of the GMB. which Mr McGrath claims had a membership of only about 15 per cent among the chain's 4.500 staff. Several of the changes he plans to implement stood little or no chance of acceptance by the union.

Derecognition, however, does not clear the way for hotel employers to impose whatever changes on their staff they wish. Under the Employmen Protection Act they must consult existing staff whose con-tracts of employment they want to alter.

Within Stakis, Mr McGrath intends to fulfil this condition by referring changes to consuitative committees of sof-representatives elected from departments in each hotel, the system employed since talks with the GMB were broken off last year.

He says that among changes to conditions approved by the committees so far is consolidation into the annual holiday allowance of five of the eight bank holidays to which staff were entitled under existing wages council orders.

Another is the ending of pay-ment premiums and time-off in lieu for working on Sundays in return for a sixth- and seventhrepresentatives directly elected by my workforce. It was anathema to me that I was negotiating with people chosen by only a few of them," says Mr McGrath says this won the approval of 88 per cent of staff.

Two changes have made it practical for Stakis to plan its revolution.

The revolution of the process to the combination of the practical for Stakis to plan its revolution. its revolution:

The 1986 Wages Act reduced tions and that it will not forget

was as well." he says, portray-ing the established system of team-briefing and employee consultation at Stakis as the natural successor to unionism.

On one point about the changes Mr McGrath is quite clear: "I am consulting, not negotiating," he says.

in £570m portfolio trade DETAILS HAVE emerged of a pension funds for British 5579m portfolio trade through Telecom and the Post Office.

Half the Sips funds have now

Pension fund restructured

the London stock market, possibly the largest instant reconstruction of an institutional portfolio since such deals became practicable after Big Bang.

The trade involved the bulk of the \$550m assets of the Shipbuilding Industries Pension Scheme, which as already any which will track the corresponding and investment stratesy.

Telecom and the Post Office.

Half the Sips funds have now been restructured into index funds run by County NatWest.

Some 35 per cent of the assets have gone into a UK Equities fund designed to match the FT-Actuaries All-Share Index, of the \$550m assets of the Shipbuilding Industries Pension gone into a glit-edged fund scheme, which as already any which will track the corresponding All stocks index.

radical new investment strategy. County NatWest Investment Management, acting as restruc-turing agents for the fund, con-tacted a number of securities firms in London, seeking hids for different parts of the port-folio.

James Capel won the competitive tender for £300m of equities — half to be sold, half to be hought. Goldman Sachs was awarded a contract for £140m of overseas equities, gate of the market leader Barwhile another US firm, Salomon Brothers, was selected to execute a £50m portfolio trade in gilt-edged.

signed to beaf the index, while the indexed core will provide safety and diversification.

The contract raises County Nat-West Trust Investment Management and County Nat-West Investment Management

The deals were executed secretly between July 29 and July 31.

July 31.

Such trades are entered into on a "blind" basis, with the bidding firms not knowing in detail the stocks in the portfolios. However, some indication of the type of securities is normally given to enable competitive offers to be made, geared to the aggregate midmarket prices of the stocks involved.

Generally, gilt-edged and alpha equities can be freely bought and sold. But beta and gamma stocks can be much more difficult to trade, especially if a rigid buying list has to be implemented.

Those close to the business say that competition for port-folio trades has eased a little

folio trades has eased a little in recent months, after securities firms sometimes burnt their fingers in a search for market share and publicity.

James Capel has been active in this field, and executed two separate £300m equity deals last year for Postel, which runs

Bankers Trust Investment Management nad County Nat-West Investment Management are the first fund managers to announce global index funds based upon the FT-Actuaries World Index which was introduced in March. Bankers Trust, a London Bankers Trust, a London-based subsidiary of the New York banking group, has set up such portfolios for two clients. It says this is a sensible approach for funds where the existing managers have not per-formed well overseas, or where the costs of investment abroad are narticularly high.

Most of the rest of the funds have been transferred to three actively managed portfolios run by Fidelity, Henderson and

are particularly high. Although the World Index, excluding the UK, contains more than 2,000 constituent stocks, Bankers Trust says it is able to track the index with reasonable accuracy by holding only 181 stocks together with stock index futures contracts in certain countries where these

are satisfactory.

County NatWest is running one fund linked to the World Index. Like Bankers Trust it uses a sampling technique and futures contracts to limit the number of stocks directly held to short 200

Water quality good says ministry BY TOM LYNCH

counter fears about the quality of domestic water supplies, after the European Commission had instigated legal moves against the UK for allegedly failing to observe a 1980 directive on safe drinking water.

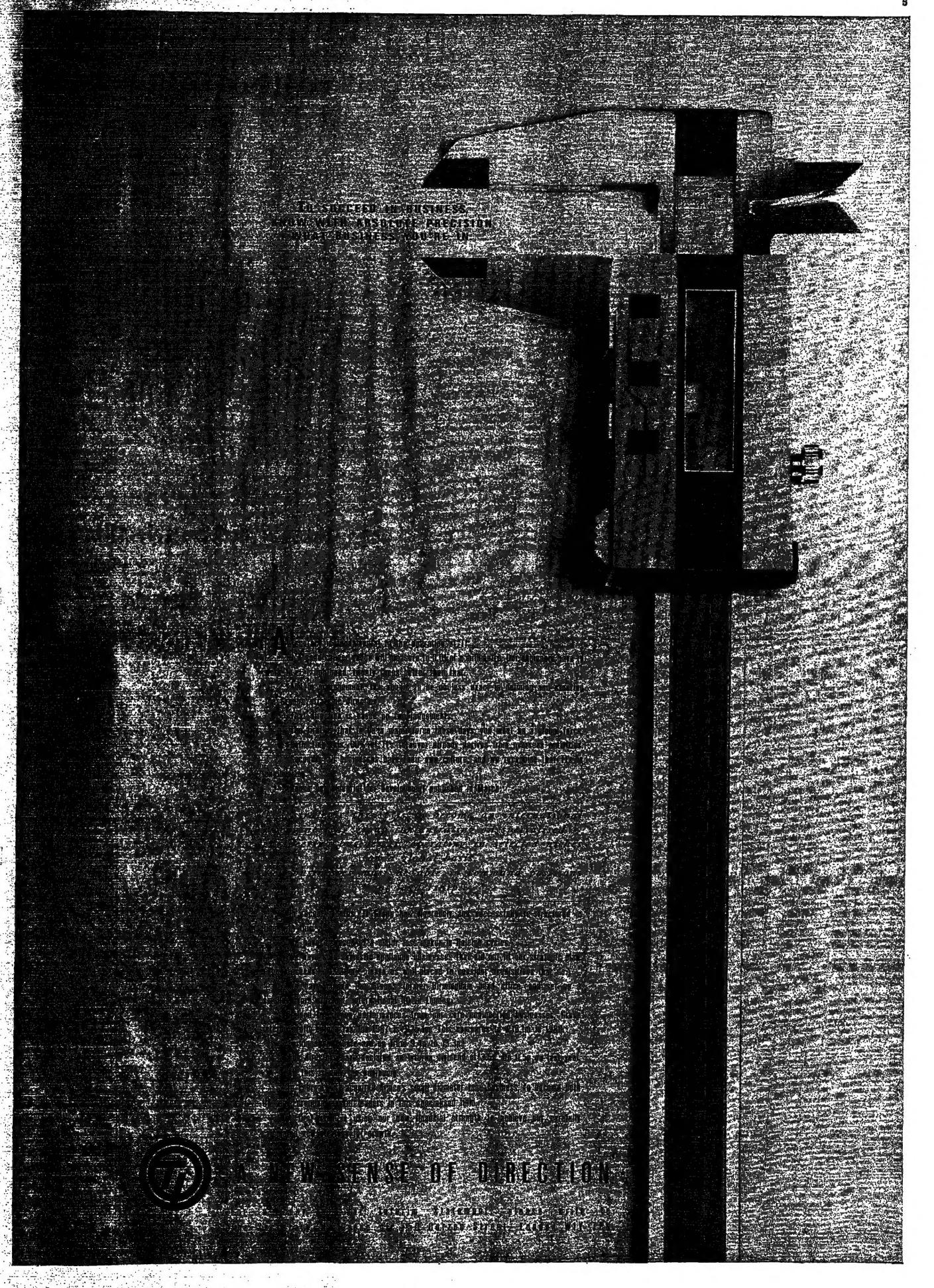
The Environment Department, which will be in charge of the Government's programme to privatise the water supply industry, said: "The quality of the drinking water in this country is very good—

in this country is very good—that is more than can be said for other European countries."
The Water Authorities Asso-

THE GOVERNMENT moved clation, which represents the quickly at the weekend to 10 supply bodies in England counter fears about the quality of domestic water supplies, after was "perfectly safe to drink—the European Commission had instigated legal moves against the UK for allegedly failing to demanded immediate action to counter any potential damage to health, including a ban on poisonous fertilisers, which, it is alleged, can soak away from farmland and build up in the water supply.
Dr David Clark, shadow Agri-

culture Minister, called on the Government to exclude the use of nitrogen-based fertilisers from some areas on an experi-mental basis,

حكذا من الأصل



BA and BCal to stress fairness of merger plan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and Britsh Caledonian Airways are both expected to stress in separate ubmissions to the Monopolies Commission that their proposed £237m merger, if allowed, would be far less anti-competitive than its critics have

This emerged over the weekend, following the decision by the BCal board to "support wholeheartedly" the commis-sion's inquiry "and work towards a rapid and satisfactory outcome."

The joint task force, set up by the two airlines over the past two weeks to study in detail their integration, is expected to be put on ice, however, until after the Monopolles Commission has reported - in case the merger is rejected.

Were the task force to con tinue its work, much detailed commercial information about BCal's activities would have been made available to BA. This would be against BCal's interests if the proposed merger

This would be against BCal's interests if the proposed merger was called off.

Sir Adam Thomson, BCal chairman, said at the weekend that BCal's presentation to the commission would outline its case that the merger was desirable to strengthen the UK air transpore industry worldwide.

This means that while BCal case that the merger was desir-able to strengthen the UK sir transpore industry worldwide. "We will address clearly any concerns expressed by other British airlines in the rational environment of the ADMC inquiry," he said.

This refers to the fears of other independent airlines, ex-pressed aironaly over the past two weeks that they could be the victim of anti-competitive behaviour by a merged BA and BCal and be squeezed out of

Sir Adam said that the decision by Lord Young. Secretary for Trade, to put a three "It would have gone into the

Gatwick Airport.



The BCal board: "support wholeheartedly " inquiry to maintain a plan which we calculate to be in the best long-

This means that while BCal will not actively discuss possible links with other airlines, either European or US, as it was doing before the BA merger plan intervened, it will provide the services of the serv nonetheless maintain "loose con-

Sir Adam said that BCal's original concern over any Monopolies Commission probe was that it might have been an open-ended inquiry, taking at least six months, which would have left BCal in an uncertain

months' time limit on the com-mission's inquiry "has been conclude bulk travel contracts helpful in allowing us to agree with agents and tour operators with agents and tour operators around the world. Any inability to compete fully for these contracts covering travel for the summer 1988 season would have been unacceptable.

"As it is, Lord Young's decision has removed that concern. We shall participate in the MMC inquiry in the confident belief that we will know the state of the confident belief that we will know the confident belief that the confident will be confident to the answer in the first days of

"In the meantime, BCal is undergoing a healthy period of increased passanger and freight traffic across the network; and the staff worldwide are in good morale and as determined as ever to provide competitive customer service."

Lord King, BA chairman, welcomed the BCal Board decision, adding that "everything seems to be going along sensibly." BA would co-operate with the commission to accura with the commission to ensure

Behind the row lie fun?t-mental differences over the direction being taken by Clpfa, which makes much of its money through publica-tions and journals but which also runs a company provid-ing public authorities with specialist services.

Mr Pipe and his supporters say Cipfa is neglecting its base in local government and is failing to stand up to Whitehall. Further, they maintain Cipfa's training programmes are too ambitious and concentrate increasingly on financial management at the expense of basic

As Mr Malcolm Temple, district treasurer at Salis-bury, Wiltshire, and a newly-elected member of Cipia's ocal Government Chronicle: "People in the sticks just do not understand what Cipfa is

In addition, concern has been expressed over Cipfa's been expressed over Gipfa's finances and the relationship between its professional and trading activities. The Association of County Councils has questioned why Cipfa's annual conference makes a reported surplus of £100,000 when it is largely funded by local authorities.

As criticism nows in the local government and accountancy press, Mr Arnold Morton, Cipla president and treasurer at Coventry City Council, has been forced to deny any attempt to thwart Mr Pipe's ambitions,

Mr Morton says Mr Pipe had falled by July 1 to pay his £85 Clpfa subscription due of January I, despite written reminders. Nobody tele-phoned him to warn him of the likely consequence because, as a prominent member, he should have appreciated the surlanguese appreciated the seriousness of his oversight.

Election row | Hazel Duffy examines changes in the organisation of the Civil Service in finance officials' organisation

By David Brindle

AFTER 102 years of quietly pursuing excellence in the noble art of book-keeping, the Chartered Institute of Public Finance and Accountancy has been plunged into an unseemly row that is the talk of borough treasurers the length and breadth of the country.

The controversy surrounds Mr Jeff Pipe, senior assistant tressurer at Birmingham City Council and self-confessed Cipfa rebel, who unprecedentedly provoked an election for the organisation's vice-

Although scarcely popular with the Cipia leadership, Mr Pipe has certain grassroots Pipe has certain grassroots backing among the 9,000 members. His supporters were confident the postal ballot was going two-to-one in his favour when the election was abruptly terminated; the challenger, it transpired, had failed to renew his membership.

The resulting outery over the victory, by default, of Mr Colin McMillan, finance director of the Severn-Trent Water Authority, threatens to enguir Cipia which, with an annual income approaching £4m, is rather more than a run-of-the-mill professional association.

Civil Service Department in 1981. Set up in the 1960s after the Fulton Committee civil service review, it was never Mr Pipe new accepts he is technically ineligible for the vice-presidency, but is believed to be demanding the ballot is counted and declared regardless. If it is not, bis supporters say, he will call for a vote of censure against Cipla's senior officers.

The reasons, according to Mr James (now Lord) Callaghan, were that it was "a new de-partment that did not have the standing and expertise of older departments" and that perma-

THE LABOUR leadership faces a tough battle to persuade its annual conference next month to accept reform of the party's

constitution, but there is un-expected support for electoral reform in the country as a whole.

The conference agenda contains more motions opposing than supporting the leadership's wish to give all party members the right to vote in the selection of parliamentary candidates.

Twelve constituency parties

BY TON LYNCH

tasks which he or she per-

Some will see the change as a prelude to the extensive re-

a prelude to the extensive re-organisation of the management of the civil service by Mrs Thatcher, a reorganisation which may lead to the abolition of the MPO after Mr Robin Butler, second permanent secretary at the Treasury in

charge of public expenditure, takes over at the end of the year from Sir Robert Armstrong

as Secretary of the Cabinet and head of the home civil service.

Supremacy of

the Treasury

has been

confirmed

MRS THATCHER'S decision, nent secretaries still looked to announced last Friday, to the Treasury (which had had transfer to the Treasury certain responsibility for the civil ser-Management and Personnel vice)
Office functions was presented money,
in classic Whitehall style as a vice) because it had the

Mrs Thatcher thought the simple tidying up of the civil CSD an unnecessary layer. She handed Civil Service pay back However, it confirms the supremacy of the Treasury in the management of the civil service at a time when financial to the Treasury and set up the MPO as part of the Cabinet Office to inject more management style into the Service. considerations increasingly dominate both the pay of individual civil servants and the The MPO, however, has

always had secondary status. Mr Richard Luce, its minister, spends two-thirds of his time on his other job as Minister for He acts as spokesman in the Commons on questions on day-to-day Civil Service matters,

to-day Civil Service matters, with the Prime Minister maintaining overall control.

The Treasury's power is recognised by the transfer of functions, planned for the autumn, announced last week. The transfer will leave the MPO -to be known in future as the Office of the Minister for the Civil Service — with responsibi-lities similar to a personnel department in a private sector

If this takes place, it will be the second big change in the organisation of the Civil Service since Mrs Thatcher became Prime Minister. The first was the abolition of the company.

These include training, communications with staff, health, staff appraisals, equal opportunities and recruitment of higher

> It will maintain responsibility for senior and public appointments — the MPO in practice mostly rubber-stamps appointments to senior posts — and one or two other functions pecu-liar to the Civil Service. Functions transferred to the Treasury will bear directly on

freasiry will bear directly on financial management, man-power, pay and financial condi-tions of service. These include matters which will increasingly shape the Civil Service of the future.

Performance-related pay is an example. The Treasury, with its responsibility for negotiating Civil Service pay, has taken the lead. It will soon formulate

wrangling.
However, the agenda for the conference, to be held in Brighton, reveals an unexpected



Robin Butler: next Cabinet Secretary

policy in an area which is slowly bringing the service closer to private sector practice in linking performance with

From October 1, discretionary From October 1, discretionary increments for staff in the two grades immediately below permanent secretary come into operation, following the recommendation of the Top Salaries Review Body. Schemes will be drawn up for the next four grades, part of a process which could filter down through the Civil Service.

Last spring, the Institution of Professional Civil Servants agreed a deal for its scientific and technical staff which clears the way for progress on payment by performance.

There is likely to be intense resistance to the introduction of performance-related pay further down the line, but the collapse of the Civil and Public Services Association's industrial action campaign could point the way to eventual agreement

Labour motions divided on selection reform

even here.

Policy on pay and performance and flexible working patterns are linked to recruitment and retention in the Civil Service, both areas which are causing Whitehall considerable worries. Under the new arrangements, the Treasury takes on responsibility for all of these.

It also assumes the lead in matters relating to financial management. Alongside the reduction in civil servant numbers, improved efficiency is central to Mrs Thatcher's fight to reduce the costs of the Civil

In the early years, ways of saving money were identified all over the service by her Efficiency Unit, which conducted a visible campaign under Sir Derek (now Lord) Rayner.

The Financial Management Initiative, introduced in 1982, is a longer-term policy which is potentially more significant. Some civil servants like the responsibility it has thrust upon them others sen it as a back. them, others see it as a back-door way towards cutting ser-vices as well as costs.

The Treasury, with lead responsibility for the FMI. will also will take on other matters relating to efficiency such as

New policies bring Whitehall closer to the private sector

the use of consultants and the Central Unit on Purchasing. All these areas are sig-nificant indicators of the way in which the civil service will be managed in the future. When policy goes into the Treasury, "it will be like handing over the management of a company to the financial director," one

Air traffic safety fears grow after Heathrow computer failure

BY JIMMY BURNS, LABOUR STAFF

THE Civil Aviation Authority is facing renewed public pressure understating safety risks which to update its equipment and improve conditions for some of its workforce, following a comperiod between the computer puter fallure on Saturday morngoing down and a switch to a

ing at Britain's main air traffic control centre at West Drayton, near Heathrow.

The CAA said the failure had led to delays in holiday flights from Heathrow, but that there had been no safety risk. It trollers, said: "Air traffic to be lost." had been no safety risk. It trollers, said: "Air traffic depled a press report that the failure, during a 50 minute peak cannot go on being 'lucky.' I air-traffic period, nearly provoked a mid-air collision between two aircraft.

"We have checked the radar trollers at West Drayton called the control. He

recording and there is no evidence of any such incident having taken place," the CAA said.

The three taken place is no evidence for an independent inquiry into working conditions at the centre. This followed publication of a survey in which 79 per

in the past six months.

The CAA is understood to be updating the existing computer system at West Drayton with new software, and is planning to replace the 16-year-old IBM 1990s.

also urged the Royal Air Force to sh/re some of its reserved air space, to ease the congestion sid. tion of a survey in which 79 per of civilian air traffic over However, air traffic control- cent of air traffic controllers Britain.

Conveyancing fees 'fall slightly'

a period in which competition among solicitors increased.

The survey of solicitors' charges on the purchase and sale of houses appears in the latest edition of "In Fiscal Studies" published this week

Attraction of the purchase and sale of houses appears in the latest edition of "In Fiscal Studies" published this week

This price discrimination, to rether the cases also in the degree of price discrimination that the cases are also in the degree of price discrimination that the cases are also in the degree of price discrimination that the case are also in the degree of price discrimination has been reduced through greater competition among solicitors.

of the threat, which became reality in May 1987, of entry into conveyancing by people other than solicitors has sig-

SOLICITORS' FEES from conveyancing work fell only marginally between 1983 and 1985, a period in which competition among solicitors increased.

O Although the degree of price discrimination has been reduced through greater competition by 1.1 per cent compared with a 24.8 per cent increase in the average conveyancing fee between 1983 and 1985 in the sample survey fell by 6 per cent compared with a 24.8 per cent increase in the average conveyancing fee between 1983 and 1985 in the sample survey fell by 6 per cent compared with a 24.8 per cent

by the Institute for Fiscal gether with the steep rise in authors said they suspected that house prices over the period, price discrimination—charging the authors, Mr Simon Domberger and Mr Avrom Sherr, from the worst effects of com-will still be available to solicity.

have submitted motions sup-porting such a change, while the same number defend the existing system of selection by branch and trade union dele-have attracted more motions for existing system of selection by both att, education and nousing branch and trade union delegates to constituency general committees. Opposition is supplemented by motions on campaigning urging the party to concentrate on fighting the Government rather than internal post system is "politically unprivatised monopoly services,"

Frevious Labour conferences have shown little interest in electoral reform, which is supported by a small number of figures across the political spectrum, perhaps most notably by Mr Arthur Scargill, the president of the National Union of Mineworkers. Only defence the

interest in electoral reform.

There are 27 motions on the subject, 18 calling for a working party to discuss the options, five for a commitment to proportional representation and four for compulsory voting.

President Jahour accommitment to the subject of the

The motion adds Labour must be able to maximise its vote in the south and the rural areas if it is to remain a national party. Other motions describe the present system as "unjust and undemocratie" and the Coine Valley party warns it "serves to cause division in the party by trapping the leadership into an appeal for the wayring middle ground at the expense of a clear presentation of socialist policies and principles."

the party's election campaign, and several local parties call for the impetus to be continued

tenable" because it is "paid for though not all of them call for by the hardship of millions of renationalisation.

One such motion comes from Dagenham, represented in arrliament by Mr Bryan Gould, shadow Trade and Industry Secretary, who was responsible for the presentation of Labour's image at the last general election. It argues "that in the process of changing the image of the party, the principle of public ownership of essential services is now altered or abandoned."

Nearly all the 38 motions on defence warm against any attempt to abandon the party's commitment to unilateral

olicies and principles." commitment to unilateral There is general praise for nuclear disarmament, but there are six motions — most notably from Mr Eric Hammond's Electrical, Electronic, Telecommunications and Plumbing Union — calling on Labour to promise a referendum on the issue as part of its next elec-tion campaign.

Leyland Daf truck sales rise As criticism flows in the

THE MERGED Leyland Daf organisation regained the UK's heavy truck market leadership from its Iveco Ford rival in July. Its sales for the month of 788 units compared with 507 for the Anglo-Italian group formed last year.

In the year to the end of July, Leyland Daf led the market with a 23.48 per cent share for trucks of more than 3.5 tonnes. This compared with

3.5 tonnes. This compared with a 22.42 per cent share for lyeco Ford.

Mercedes has secured a firm seven months of the year were up 3.6 per cent at 32.167 sector, its 4369 sales for the year to date representing a share of 13.58 per cent, nearly half as much again as fourth.

Total compared with the year-ago month at 2,912 (2,812).

Heavy truck sales in the first seven months of the year were up 3.6 per cent at 32.167 to 32.67 to 3 half as much again as fourth-placed Volvo.

operators tend to postpone pur-chases until the introduction of the new registration prefix in

Nevertheless Society Motor Manufacturers and Traders statistics show that in the heavy trucks sector sales were relatively buoyant compared with the year-ago month at 2,912 (2,812).

by imports also up slightly to 39.18 per cent from 38.67. Total commercial vehicle sales were down for the month

July is a poor month for at 12,790, compared with 13,767 commercial vehicle sales a year ago. However, the because like the car market, market for the first seven months was up 5.08 per cent at 172,065 (163,735). The share of the total market

The share of the total market taken so far this year by imports continued downward. They had 36.54 per cent, compared with 39.31 per cent in the year-ago period.

Light vans, mainly those derived from cars, achieved 4.137 sales for the month, down from 4.616 in July last year. This brought the year to date total to 57,079 (54,990).

Panel van sales fell to 5.219 in July, from 5.810 a year ago in July, from 5,810 a year ago, but for the year to date they are still well ahead at 73,938, (68,772).

Corporation has appointed four outside assessors to help it choose the consultants to prepare the strategy plan for its future. The corporation, set up earlier this year to rehabilitate 2,700 acres of Cardiff's decaying docklands, will also interview a shortlist of five candidates on

Cardiff Bay

By Anthony Moreton, Webb Correspondent

names panel to

pick consultants

CARDIFF BAY Developmen

August 14 for the post of chief executive. Its first choice understood to have been Mr Reg Ward, chief executive of the London Docklands Development Cor-poration ran into Government

opposition

opposition

The four advisors are Sir John Boynton, formerly chief executive of Cheshire County Council and a past president of the Royal Town Planning Institute, Mr Christopher Benson, chairman of MEPC, the property group, and also chairman of London's docklands; Mrs Audrey Lees, a former official of the Greater London Council; and Mr John Dean, president of the RTPL

Cardiff originally invited 12 Cardiff originally invited 12 consultants to make submissions

to develop the area. It chose four out of the eight respond-ents—Liewelyn-Davies Fianning, Conran Roche, and two American concerns, Land De-sign Research and Sasaki Associates—to submit more detailed proposals.

Mr Geoffrey Inkin, chairman of Cardiff Bay, has asked for their submissions by October 10.

since it causes the least problems with disposal. Since the CEGB has said its aim is "to achieve an overall environmental benefit", they say it should choose this rather than the gyraum process for its fam. nuclear dumping PLANS TO store spent nuclear fuel at Chapeleross in Dumfriesshire will be fiercely resisted by the Scottish people, according to the Scottish

in concrete vaults for up to 100

CBI warms on invoices for alleged directory

By Hazel Duffy

THE Confederation of British Industry has advised businessmen who have received invoices from DHL Worldwide-Service to Industry for an entry in an alleged directory to put them in the wastepaper basket. The company, based in Hamburg, is trying to pass itself off as associated with DHL Inter-national, which has taken steps

to alert its customers. The CBI has asked the Fraud Squad to company, which asks for correspondence to be sent to an address in Chislehurst, Kent. The address is that of the which said it had not authorised its use by the company.

Ulster health

plan announced ULSTER Health Minister Mr Richard Needham has announced a five-year strategy to im-

prove the health of people in Northern Ireland.

a 20.7 per cent increase in the average sale price.

In their conclusion, the

petition. O The rise in house prices has compensated for the reduction in that part of the fee that is related to prices. This was because "uncertainty about quality of service and the costs of search will stand in the way of the full effects of competition." Mr Morton says of the Pipe camp's platform: "We are reasonably clear about what he is against, but not clear at all about what he is for."

Maurice Samuelson reports on fears that solving an environmental headache may create other problems

CEGB faces the fall-out from reducing acid rain

AS THE electricity industry from the air to the ground— would like to offer it as a raw the plaster board industry has plaster-board plants on power different grades of gypsum. The CEGB this week allayed dustry the solution will also gypsum mines to the vicinity of meanwhile, fully-fledged negogest coal-fired power stations, it is trying to avoid charges that it will solve one environmental

for much of the damage to the lakelands of Scandinavia and other parts of northern Europe. The Countryside Comission, the Council of National Parks, and local groups have been urging the Central Electricity Generating Board not to create

should use a gas cleaning process which uses the least The other concern arises from how the CEGB will dis-pose of the waste materials produced in the gas-scrubbing

tive beauty spots and say it

some of these fears when it announced that after investi-gating sources of limestone for problem at the cost of creating at least two more.

The charges rise from its power station in North York-intention to use large quantities of limestone to neutralise the sulphurous power station emisting from quarries outside sulphurous power station emistree in the national parks. the national parks.
Drax will require 340,000 tonnes of limestone a year and although the CEGB said this

with the amount extracted for other industries, nature lovers had been appalled to hear that it had originally considered limestone quarrying in Ribble-dale, in the heart of the Yorkmore unsightly quarries in dale, in the national parks and other sensi- shire dales. In ruling out the Ribbledale site, the CEGB said it could also give a similar assurance about the limestone to be used in the

other power stations on its

interested in how the CEGB

Environmentalists are keenly

clean-up list.

was not very much compared

The plaster board industry is in the hands of one company, British Plaster Board; its subsidiary, British Gypsum, has five main plaster board plants. Four are next to sites where the company mines and pulverises gypsum prior to conversion into plaster board. It mines about 3m tonnes of gypsum a year, and employs 3.700 people, some of whom would become redun-

board for the building industry,

and is also used in bag plaster

far-reaching commercial

dant if British Cypsum ceased mining operations. Mr Allan Clarke, British Cypsum's deputy managing director, said the company might be interested in a supply

gypsum mines to the vicinity of the power stations. As far as Draz is concerned,

there seem to be prospects for

Gypsum rock, which exists in various areas, is the main raw material used to make plaster Gypsum. The company has a plaster board plant only a few plaster board plant only a few ment of the miles away at Sherburn in Elmet, where gypsum requirement corresponds fairly closely to the anticipated output of the power station.

Moreover although the plant only a few mentods of disposing of the miles of the studies also embrace the power stations which the CEGB may build at Southampton, West Burton, Nottinghamshire and Kingsnorth, Kent. Moreover, although the plant is built on a gypsum mine, it has for some time been supplied with gypsum mined eisewhere

in the country, particularly since last year when the local gypsum mine was flooded. British Gypsum and the CEGB have been discussing such a relationship for some time. However, while claiming to be optimistie, Mr Clarke has made no secret of his belief that the CEGB has a far greater stake in it than his company. At the same time, a privatised elec-

Meanwhile, fully-fledged negotiations have not yet started and the CEGB has commissioned advice from Ove Arup, the con-sulting engineers, on alternaa perfect marriage with British tive methods of disposing of Even if it struck a deal with

Even if it struck a deal with British Gypsum, the CEGB would still need planning permission for alternative ways of disposing of its gypsum, such as landfill. This is not merely because the British Gypsum deal might break down but because not all the gypsum would necessarily be saleable.

The quality of the gypsum would depend on the sulphur content of the coal to be used at Drax and on the desulphur-isation technology which the

In addition to the limestone gypsum technology, the CEGB is considering two other FGD methods, both of which use far less limestone and produce different waste materials.

One of them, the spray-dry method, produces a dry product which is more suitable for use in landfill. There is also the Wellman Lord process, in which the limestone is recycled. Instead of gypsum, this process produces sulphuric acid or sulphur, a staple feedstock of the chemicals industry.

Some environmentalists give this process the highest marks the gypsum process for its first desulphurised power station. For its part, the CEGB will have to strike a delicate balance between a wide range of factors The plan will focus on better process.

The plan will focus on better in the constance with the systems of the considering technical process.

The plan will focus on better in the constance with the systems of the focus of the constance will the tricity industry might be a CEGB selects. It is currently thought the process.

The plan will focus on better in the constance will the tricity industry might be a CEGB selects. It is currently tought the tricity industry might be a CEGB selects. It is currently the tricity industry might be a CEGB selects. It is currently the tricity industry might be a CEGB selects. It is currently the tricity industry might be a CEGB selects. It is currently the tricity industry might be a CEGB selects. It is currently the process.

The plan to dispose of the 500,000 of artificial gypsum if the tricity industry might be a CEGB selects. It is currently the process.

The plan to dispose of the 500,000 of artificial gypsum if the tricity industry might be a CEGB sele

National Party. A £200m dry store is planned for Chapeleross, where irradiated fuel from advanced gas-cooled reactors could be kept

Antagonism intensifies between SDP factions

MRS SHIRLEY WILLIAMS, the took heart from a Sunday Times breaksway from it—the SDP would Social Democratic Party president, poll suggesting that half the member inside the new party.

and Mr Roy Jenkins, its former bars of the policy-making Council in The Sunday Times, Dr Owen leader, should leave the party if its for Social Democracy strongly op-members reject the proposed merger posed a merger. or with the Liberals, an side to Dr. Writing in The Sunday Times. Dr. David Owen, who resigned as SDP leader on Thursday, said yesterday.

Mrs Rosie Barnes, who is co-ordinating the anti-merger faction with-in the SDP following the party's ballot wate to enter talks with the Liberals, said the most damaging outcome of the merger debate. would be if the pro-merger group just remained in the wings, waiting to try again."

SDP members would be "constantly looking over our shoulders' if this group remained in the party. She hoped the break would be "clean and final" after the ballot on

00

27 rei s uits

2

Writing in The Sunday Times, Dr Owen accused Lord Jenkins of supporting the "soft centre" or "cop out nuclear freeze movement

In an extract from his forthcoming book published in The Observer, he accused him of regarding the SDP as a "transit camp" on the way to merger with the Liberals.

Lord Jenkins, writing in the Observer, was scathing about Dr Owen's complaint that the pro-merger faction had "ducked out of" the debate on the retention of nuclear

I have never heard of a political party founded on a weapons sys-tem. The only way to have an absobate policy guarantee for the future is to have not a party but a private

appeared to accept that most SDP members would opt for a merger but argued that there should not be "a long and bitter wrangle over who

would not be able to prevent the an-ti-merger group continuing with the name and the logo of the SDP, be-

A hallot accepting any parkage would simply be an indication that party but could not be hinding on individuals and could not prevent

Ashdown, the MP for Yeovil, stand-ing against Mr David Steel, the Lib-He said any SDP grouping which ure to stand to counter the impres-went its separate way after a merg-sion of a Liberal takeover with only

Construction sector enjoying buoyant phase, says survey

enjoying one of its best periods for years, and the trend seems likely to continue for at least another 12

A survey of 140 civil engineering ing number of contractors expect orders to rise over the next year.

About 42 per cent of companies mestioned in July expected new orders to increase during the next 12 months while a similar proportion When the federation asked the

same questions in April, only 27 per ent of companies said they expect-55 per cent expected orders to re-main at around current levels. More companies also expect re-pair and maintenance work to in-

THE CONSTRUCTION industry is 24 per cent in April, the federation

cent said orders had remained unchanged. Only 21 per cent said or-

One of the more encouraging aspects of the survey was the im-provement in the fortunes of con-

Order books had shown the great-est improvement in the Midlands, Yorkshire, and the north. However even a small increase in orders

LABOUR FLEXIBILITY SEEN AS KEY

Reo Stakis hotels plan work-practice overhaul

planning a radical package of workmarcation between departments and increasing staff flexibility, fol-lowing its withdrawal of trade unions recognition earlier this year.

The company intends to introduce a new grade of multi-skilled hotel employee who would switch between hotel areas such as reception and housekeeping to cover dai-ly fluctuations in demand.

It also plans to try to reduce staff turnover from the high level common in the industry by offering emek. This would be based on end-

the past five years at one of its 33 hotels in the UK to see how many staff would need retraining for the

lege in Avienore, Scotland, which it envisages training up to 60 staff at a time in multiple skills for both Stakis hotels and those owned by

Mr Colin McGrath, personnel director, said hotels experienced coniderable retention and recruitment unpredictable work pattern, often involving split shifts.

The employment image of the industry has been dreadful over the years, and there are certain things which have to be done if labour turnover is to be reduced. I believe

Grand Hotel in Stoke-on-Trent is being carried out for Stakis by the Manchester Polytechnic catering college, and Mr McGrath says hotel

It is to set up its own training col- staff have expressed willingness to

the GMB general workers' union earlier this year following a reduc-tion in scope of the Licensed Resid-ential Establishment and Licensed Restaurant Wages Council annual order, which sets minimum pay and conditions for the industry.

Under the 1986 Wages Act, the order now sets only the minimum basic and overtime rate and limit on workers 21 and over. This has cleared the way for hotels to make

Hotels must still consult workers employed under previous contracts before their working conditions can this requirement by putting the changes to "consultative commit-



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and both have exceptionally aerodynamic bodies.

But there are also differences. The BMW can't quite match the top speed of the jet but, on the other hand, you never need landing permission with the 735i. That alone makes them a perfectly matching set.



The ultimate driving machine



JOHN PLENDER

don't suppose that the new glamour technology of superconductivity is the sort of thing that keeps the

Ayatoniam Anomenia up at night. But there are plenty of other, more worldly folk in the developing countries for whom it looks like one more dismal example of how changes in the West's industrial structure are creditar. trial structure are creding comparative advantage in the Third World.

To express sympathy for these people when the recent surge in oil and commodity prices has caused the financial markets to work themseives into a high state of angst over inflation may strike aders as perverse. Yet ese inflationary werries are unese minimizery werries are unlikely to endure in the longer run for precisely the reasons that have been upsetting delegates at the seventh session of that rather forder body, the UN Conference on Trade and Development Trade and Development (Unctad), which came to an end in Geneva last week.

To put it in economist's argot, the elasticities of supply and substitution now

A bigger gap, a bigger problem

work so efficiently that it is increasingly difficult for commodity producers to improve their terms of trade vis a vis the developed world — not-withstanding the fact that Unctad's granding plan for uncad's grandose pass for a Common Fund for Commo-diries now looks like creep-ing off the ground more than a decade late.

a decade late.
More simply, purchases of expensive western manufactures are having to be made from dwindling commodity expert earnings. Technology is one of the reasons why the balance of economic power has chanced.
Superconductors, to take the most fashionable case in point, incorporate new ceramics that can carry electricity without the resistance that causes heat loss in normal conductors like copper

of superconductors to a whole range of conventional pro-ducts in the home the office and the factory could sub-stantially reduce energy re-

supercommencerity to marre me size and weight of conven-tional electricity generators, with huge savings in energy consumption. Two mainly Third World kirds — the oil and metale markets - are thereby stanged with and leap ceramic stone. It remains to be seen

whether the promise of this miracle technology is ful-filled. Yet it is simply one of several that exemplify the trend, Another much quoted

be carried by a ton of copper wire may be carried by a mere 100 pounds of fibre optic cable, which in turn requires far less energy to pre-

All this is grim news for All this is grim news for most commodify producers. For while the developed world enjoys a windfall gain as the cost of finished products is dashed by a combination of declining commedity prices and technological advance, and technological advance, the gainers do not invariably spend the windfall on goods from the countries that have

Nor is that the end of the story: the other great economic resource of the Third World — cheap labour — is being made to look less estrection in multiputional

world who might otherwise invest in overseas manufac-

turing plant.
Kenichi Ohmaa, McKinsey's celebrated guru in Japan, argues that ten years ago about 25 per cent of the cost of production of manufactured of production of manuscrares goods was usually made up of labour coats. With wages at only a quarter of the Japanese level in much of south-east Asla, it was possible to cut production costs by 20 per cont simply by maving open-

Today's higher technology manufacture is less castly transplanted and components account for much more of the cost of production. With workers wages amounting to only 7 or 8 per cent of production costs, even halving the bill for disease lebour by maring even. direct labour by moving ever-

me in the West see little reason to worry about all this. If the terms of trade have shifted against the cil and commodity producers, that is just retribution—curs that is just retribution—runs
the argument — for their
attempts to attract excessive
prices for primary products
in the 1976s. Looked at from
the perspective of President
Reagan or Mrs Thatcher, the
Third World is a kind of
moral gymnistum whose
assers trappings are happily
endowed with character-building qualities.

be a secular trend rather than

ing qualities.

But what sort of character will it build it the adverse shift in the Third World's terms of trade purps, out to

what it the model of develop-ment effered by South Korea. Taiwan or Hong Kong becomes harder to attain because of the changing nature of the ent. manufacturing process?

when people are deprived of hope and see no end to the widening of the Ear between the First and Third Worlds, they have a diminishing stake in peace and stability. They are also unlikely to provide much of a market for the developed countries goods — although the Khowednis of the 21st century will almost certainty century will aimest centainly win access to western nuclear arms technology.

A hard-nesed approach to the developing world may be appealing for ageing politi-cians who will not be around when the balloon goes up. But the rest of us must surely acknowledge and faster a common interest in our eco-nomic relations with the pearer parts of the world.

INTERVIEW

Down to business on and off the farm

Robin Pauley meets Roger Douglas, New Zealand's Finance Minister

-80m of them. That is not the only contradiction: he is a snappy dresser in a country where many, including Cabinet ministers, seem to prefer to look like shepherds; he is a socialist, yet he is liberalisting the economy at variable as any

CONTRACT NCEP 1-Approximately

INTO THE WIND THE WIN

One further copy is to be received same time at their address given ab-

That combination prompts all sorts of comments of the "selling out to the capitalist pigs" variety from his opponents inside and outside the New Zealand Labour Party. They bother him not at all.

He does not somehow look like a man charged with the revitalisation of a dormant economy. But then New Zealand's reforms, like those in Australia, have been based on the principles of free markets and competition—and yet have been brought about by Labour. The outgoing conservative administration left the country, in 1984, with more protectionism and subsidies than it had ever had.

Contracts and Tenders NATIONAL ELECTRICITY CORPORATION NATIONAL CAPITAL ELECTRICITY PROJECT

Aystem).
The article reported the reaction to SESDAQ by some members of the financial and

commercial community in Singapore. The strice provoked an instant letter of complaint from the Director of the

ROGER DOUGLAS keeps land is not the kind of place where you would expect such a dramstic experiment to take where you would expect such a dramstic experiment to take only contradiction: he is a snappy dresser in a country where many, including Cabinet ministers, seem to prefer to look like shepherds; he is a socialist, yet he is liberalising the economy as rapidly as any politician in the world.

That combination prompts all socialist, yet he is liberalising bround, outclassing slower morphing out to the capitalist pigs been sound outside the New Zesland sorts of comments of the "selling out to the capitalist pigs" was been in Australia, land outside the New Zesland Labour Party gained power, strategy to be completed. If Labour Party gained power, strategy to be completed. If Labour Party gained power, strategy to be completed. If Labour is rejected—increasingly possible but still unlikely with dollar was devalued and all exchanges controls and all exchanges controls and entering the comments of the selling out to the capitalist pigs been substituted that is not the kind of place where you would expect such a dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take where you would expect such as dramstic experiment to take the with labour is rejected—increasingly possible but still Labou

election.

"Whatever happens in the election, I think there can be no going back to the bad old ways," says Mr Donglas. "We have achieved a change in attitudes and New Zealanders realise, for the first time in many years, that the country has to compete in the real world out there. I know some people are hurting in the transition. But they know there is no alternative and I believe they accept change is necessary.

"I think there is a general understanding now that unless and now has the world's broad-

and the like. New Zea and the like. New Zea and now has the world's broadest tax on value added.

"There is no doubt that the GST was really critical for us. We get a big lot of revenue out of it and it gave as the flexibility to cut direct taxes and really get going, at the same time as making the system much fairer."

"However, it is significant that and really get going, at the same time as making the system much fairer."

"Rogernomics," is playing a low-key role in the election much fairer."

Does such sweeping change make them nervous? "No; "Male once hairy morn on the decided that while the leeds Rogernom that some hairy morn on the stump.

Labour strategists have decided that while the leeds Rogernom that some hairs more taken and really get going, at the same time as making the system much fairer."

Does such sweeping change that some hairs more taken nervous? "No; "Male the new hairs more taken nervous? "No; "I'm noe taken nervous?"

I abour strategists have decided that while the look out of text tax on value added.

"There is no doubt that the GST was really critical for us.

We get a big lot of revenue out of it and it gave as the same time as making the system much fairer."

Does such sweeping change the look of the same time as making the system much fairer."

I abour strategists have decided that while the look out of it and it gave going. one Labour Party television commercial and is almost invision.

Labour Party television commercial and is almost invision in the stump.

Labour strategists have decided that while the country heads of commercial and is almost invision.

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Labour strategists have decided that while the country heads of commercial and is almost invision.

Labour strategists have decided that while the country heads of commercial and is recipiled. The party would place the plants to bring passengers on the labour is rejected that Ansett plants to bring passengers on the labour is rejected that the fact of the party would probably shouldn't be country would probably shouldn't be and through covered bridges, and t

MP for Manufact, third genera-tion of family to sit in the House of Representatives; 172: Broadcasting and Posts Minister, youngest minister for 50 years; 1974: Minister of Housing

structures. We have to get the that must be set the impresent that must be set the impresent

airline, Ansett, permission to fly internal routes in New Zealand. The result has been remarkable: Air New Zealand. remarkable: Air New Zealand He almost quit politics in has brushed up its act, rebuilding its shabby airport facilities. Having discovered that Ansett plans to bring passengers are

Certainly things are moving, during the long years in opposition and the was less than you ever fly it?" he asks. Until enchanted with the way less than recently there was no alternative but under the new policy, as well as selling 25 per cent of health food business. "It was a the airline, the Government has safety valve. If I get too upgiven the thrusting Australian to lust so away and work on the just go away and work on the ousiness for three months and say 'to hell with it."

literate in the world, chatting away freely about interest rates, debt ratios and imbalances between direct and indirect taxes.

Certainly business is Mr. Dongias's preoccupation. Although he comes from a strongly political family, his first success was as a husinessman and during the long years in opposition when he was less than enchanted with the way Labour policy was moving he concentrated on reviving the family health food business. "It was a people to move off dependency rather than one which locks." rather than one which locks them into it. We have started. I get a lot of pride out of what I now see New Zealanders doing in the new climate we have created."

What if this view does not meet with majority approval on saturday and Labour is rejected at the polls? The party would probably back-track, with the new Social Democrats like Mr

Not to publish and be damned

SALES TRADER

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NOTICE IS SERREY GIVEN, pursuant to Section 48 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above-named company will be held at the Cleveland Schertific Institute, Cooperation Road, Middlesbrough, Covered on Thursday, 27 August 1985 at 2.30 pm for the purposes of having laid before it the expost prepared by the administrative receives in accordance with the said Section and Shought It, appointing a committee. accordance with the said Section and, if shought fit, appointing a committee. Creditors whose tributs are wholly secred are not entitled to strand or your at the meeting. Creditors who are partly secured may only vote in respect of the bettings of the amount due to them after deducting she value of the security, as estimated by them. A creditor in respect of a debt due on, or secured by, a bill of exchange of promisery note must treat the liability of any person who is liable on the bill antecelerate to the company as security. of any person who is liable on the bill antacadently to the company as security held by hint (unless that other person is subject to a bankrupacy order or in

Squidetion). Traditions withing to vote at the above meeting must longe a written statement of their claims with us at the above address to later then 12 noon on 29 August 1987. Proxies intended to be used at the meeting must also be lodged with us by that time.

Detect this thinty-first day of July 1987.

July Administrative Received.

THE focus on governmental actions in the courts restricting the freedom of the press will shift geographically this week to a case being brought in the High Court of Singapore by the Asian Wall Street Journal whose daily sale and distribution of 5,000 copies of the newspaper in Singapore were ordered last February by the Minister of Communications and Information to be restricted and Information to be restricted to 400 copies. The issue at stake is the Singapore Government's claims of a right to be heard in the columns of a foreign newspaper to correct "erroneous and baseless allegations made in articles" of the newspaper. The dispute arose last December following a front-page article by the Journal's resident correspondent in Singapore

JUSTINIAN

article confirmed such bias.

The editor of the Journal, based in Hong Kong, declined to publish the letter. Instead he invited the director to submit a letter for publication omitting the attack on the Journal's staff member for improfessional conduct.

The editor's stance reflected article by the Journal's resident correspondent in Singapore leactibing the background to the establishment by the Government of a second stack exchange for small firms, known as SESDAQ (the Stock Exchange of Singapore dealing and automated quotation. The editor's stance reflected the policy of the Press Council in Britain: that the editor's voluntary "right of reply" code provides specifically that editors are entitled to reject that the state of the provides are entitled to reject the provides are the provides are entitled to reject the entitled to reject the en letters for publication which defame their staff or misstate

facts.
The ensuing correspondence reached an impasse. No letter of correction appeared in the Journal from any government source, although a letter from Banking and Financial Institu-tions Department of the Mone-tary Authority of Singapore.

The complaint was that the Journal's reporter was biased

Journal's reporter was biased

Without warning the Minister,
and that facinal errors in the on February 3, took adminis-

trative action against the Journal under a new law passed only a year ago. This empowered the Minister to declare a foreign publication as "engaging in the domestic politics of Singapore." and permitted him to restrict the circulation of each laws of any declared foreign newspooner.

any declared foreign newspaper "to such a number of copies as he thinks fit." Following the Minister's order the Journal declined an offer by

the Journal declined an offer by
the Singapore Government to
allow the financial daily to distribute more than the official
limit of 400 copies a day, on
condition that it excised from
the issue all advertisements.
This was rejected on the ground
that news items and editorials
are integral parts of the news-

The idea that the Asian Wall, Street Journal should print a special edition each day for Singapore and distribute it free of charge—a suggestion had been made by the journal's editor to distribute copies free to existing subscribers—would mean additional mechanical costs as well as daily scheduling problems.

Thus the conflict has come to court. The Asian Wall Street Journal is challenging the Minister's order on two main rounds. It is amering that the 1986.

stitution, in that it deprives citizens of their right to receive information through the media and hence their right to freedom of speech and appreciate under the constitution.

The basis of this challenge is the proper meaning to the object information through the media and hence their right to freedom of speech and about the editor's refusal to publish the letter of complaint the journal cannot be said to be publish the letter of complaint the journal cannot be said to be "engaging in domestic politics of singapore."

All that the Journal was freedom can apply. In particular the Government's claim to a right of reply does not give parliament the power to impose a restriction on free speech as it deems necessary or expedient on grounds of public order or morality.

Signapore and baseless allegations.

The basis of this challenge is the proper meaning to the obrase "engaging in domestic politics." It has given as examples, the publical, etimic and religious unrest; initiaging in slanted, distorted or partisan reporting or persistent refusal to publish the letter of complaint the journal was financial and other interior of Singapore."

All that the Journal was of businessmen and other interior to refute misreporting and baseless allegations.

The basis of this challenge is the proper meaning to the phrase "engaging in domestic politics." It has given as examples, the publical, etimic and religious unrest; initiaging in slanted, distorted or partisan reporting.

The basis of this challenge is the phrase "engaging in domestic politics."

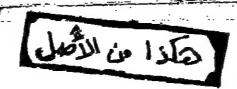
It has the phrase "engaging in domestic politics of singapore."

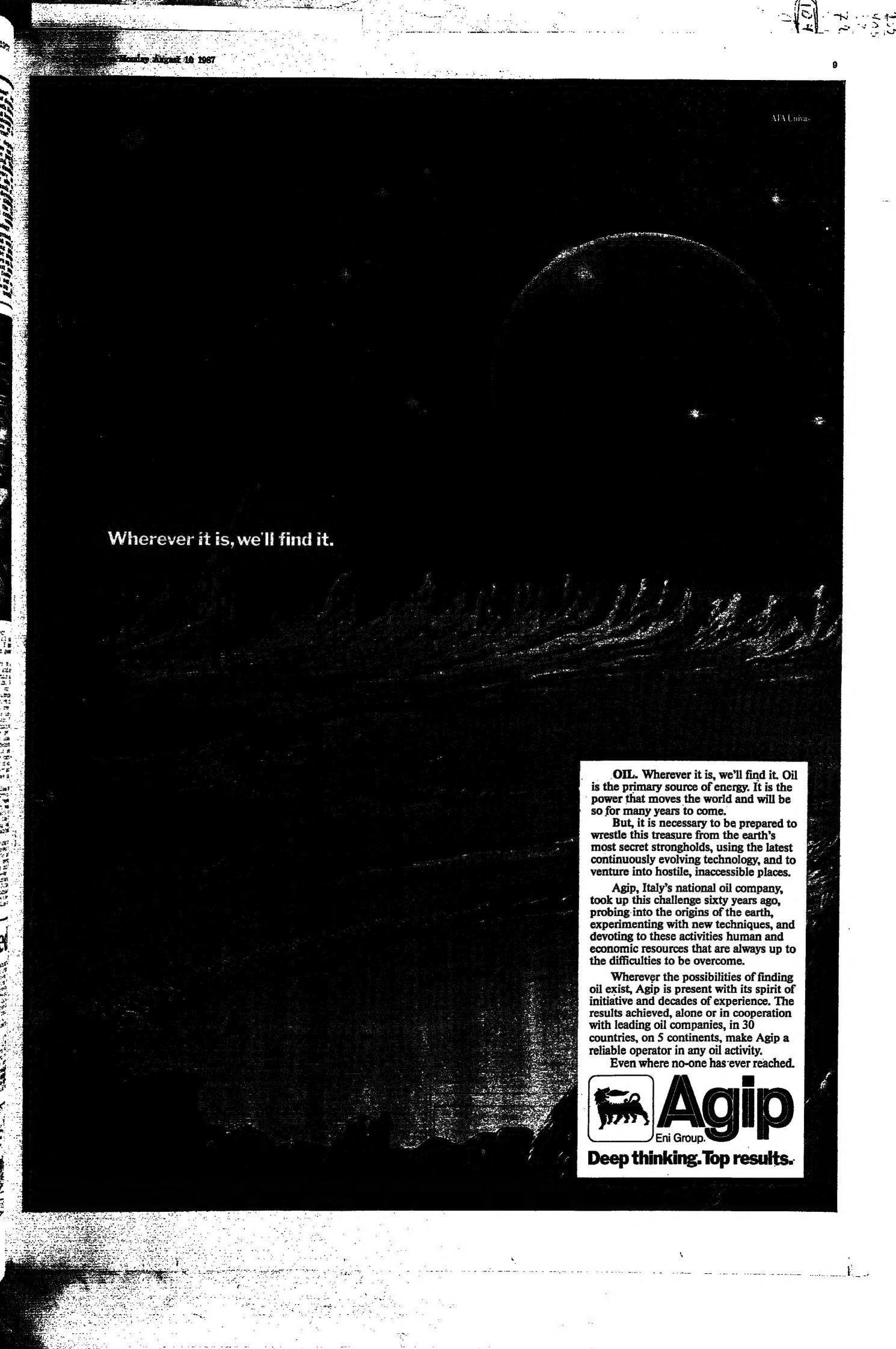
All that the Journal was of businessmen and other interior to refuse or refusel to generate politics.

The English speaking press will be watching keenly to see how the Singapore courts will political, etimic and religious unrest; industry or persistent refusel to generate or presistent refusel to generate or presis

impose a restriction on free matters of financial and comspeech as it deems necessary mercial interest. It was not conor expedient on grounds of cerned with "domestic
public order or morality,
The second ground acknowledges the validity of the 1986
It them.
The Singapore Government
Law but challenges the thinks differently. It has gone
Minister's power to use it on record as giving what it "he there of censorship.

... AND THIS TO KEEP YOU IN THE PICTURE SNODGRASS. LAST WEEK YOU WERE WORKING FOR NOMOGRO. AFTERNOON . ON FRIDAY FOR COSMOGRO AND THIS YOURE FIRED! MORNING FOR GRABMOCO. w





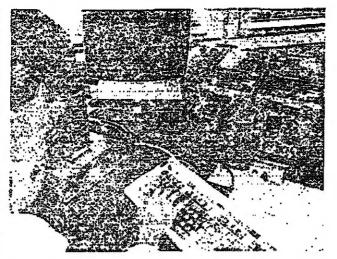
WHILE THE General Electric Company may have suffered a bloody nose at the hands of the American defence establishment with the recent loss of the Nimrod early warning aircraft contract, the traffic has not been ail one way. In the past few years, the company's avionics division has built up a healthy export business in the US; and two years ago it pulled off a significant coup with a deal to replace the airborne computers in a wide range of US military

aeroplanes. Including a £35m order announced last month, this busi-ness will be worth £135m to GEC Avionics up to the early 1990s, and has already created about 2.400 jobs within the group and its 80 or so UK subcontractors. It has also demon-strated the company's ability to work in an environment far removed from the cost-plus contracting methods which have come under attack at the British Ministry of Defence, and which

have often been cited as a cause of complacency at GEC.

The contract grew out of unusual circumstances. Starting back in the late 1970s, the US Air Force and Nary began to toy with the idea of replacing their on-board air data. ing their on-board air data computers in a range of about 39 aircraft with a uniform pro-

It was a radical idea, bringing together two armed services replace them with new ones which were known historically that would plug straight into for their professional jealousies the electronic systems of each



GEC Avionics

An all or nothing bid to reach for the sky

Terry Dodsworth describes the UK electronic group's approach to winning a US contract to supply airborne computers

and inability to co-operate. But it gathered support because of the potential sayings from

What the services were aiming for was a single, new, up-to-date air data computer that would be much cheaper to maintain and produce because it would be standardised for all the 39 alreraft. They wanted to rip out their existing units and

of the different aircraft, a mixed bag of fighters, bombers and transporters And although the boxes themselves would be shaped
differently, they set a target of
a minimum of 70 per cent common parts — a target GEC
easily met with more than 80

per cent commonality.

Bidding for this contract posed two marketing challenges to GEC Avionics, First. It had to carry a large body of subcontractors with it, convinc-ing them to give support and making sure they performed to standard. For many of the

British sub-contractors in-volved, the programme was far higher than any they had ex-British perienced before, involving new skills and, crucially, a more disciplined attitude to the mar-

ket.
"The key element in the American approach is that they announce a public target and demand total visibility in reach-ing it," says Fred Mackley, manager of the Instrument Systems
Division at GEC Avionics.
"They demand a fixed price,
they expect you to have calculated your risk, and they will not tolerate secret deals. The

one thing they will never for-give you for is hiding a prob-lem."
GEC, says Mackley, had already

gone through its own culture shock in facing these constraints several years before when it first started attacking the US market. For the new contract, it decided that it would need to spend a great deal of time inculcating these these among its component ideas among its component suppliers. The subcontractors needed professional support in certain areas, and GEC wanted commitment, "Every single per-son who cuts metal for this

contract has had the story from me personally," he says. The second challenge for the group was to decide on the level of risk it was willing to run to try to win the deal. The mili-tary contractors had committed themselves to run what was effectively two competitions. In enertively two compenious. In the first of these, the aim was to select two potential contractors, who would then go on to build production-standard computers and fly them in all the aircraft in the project. After that, there would be a second stage of com-petitive tendering for produpetitive tendering for produc-

With this two-part bidding process, the potential suppliers were faced with the danger of investing heavily to prove their investing heavily to prove their ability to fulfil the contract, but then being defeated in the bidding for the supply agreement where the profits would be made. "You are at risk right up until you get paid for the first delivery," as one GEC executive puts it.

From the start, according to Ron Howard, managing director of the Avionics division, GEC committed itself to a radical, high-risk approach. After high-risk approach. After emerging from an initial runoff as one of two companies to work on prototypes—the other was Garrett, the Allied-Signal subsidiary—it decided to go straight into a production mode of design and development

This meant jumping the nor-This meant jumping the normal prototype stage, in which engineers work out feasible designs and produce model equipment. Indeed, GEC Avionics tooled up the factories for its designs from the beginning, laying out £3m of its own cash at the prototype stage as well as the \$5m it received from the US military.

"Our design units impressed the customer because they looked like production units— which they were." says Mack ley. At the same time, the intensive work put in at the pre-production stage has allowed the group to move rapidly into high volume output.

Howard believes that none of this speed in moving from design into production would have been possible without a heavy spending programme it launched in the early 1980s on computer-aided design.

This was part of a process This was part of a process which has seen the company concentrate increasingly on system design, assembling and testing rather than manufacturing. Today, between 70 and 80 per cent of the value in the airborne computers comes from supplier organisations, it says. The corollary of becoming this kind of market-oriented group, seeking out opportunities and trying to capitalise on them

and trying to capitalise on them as rapidly as possible, is that GEC Avionics has been forced to rely increasingly on subcon-

tractors.
Suppliers, says the company are now becoming an increas-ingly important part of the electronics chain because of the high degree of specialisation in the industry; and this in turn means that the process of controlling the supply chain becomes a vital element in winning and holding a contract.

"It is often said that Britain

suffers from subcontractors which are lazy, slow and idefficient," says Mackley. "It is not true. You have to give them support, and you must motivate them. But we have moved with many of these suppliers from a situation in which they were making 10 units a month to 120. We have changed their lives."

"I BELIEVE so strongly that this move is right for the com-pany that it would have been a failure in my leadership if I had not been able to persuade

Thus John Collins put his credibility on the line when he decided that Shell Chemical UK should move its headquarters. "Persuading them" meant con-vincing some 180 middle and senior managers that moving from London to Chester, 179

as well as the company's.

He succeeded in persuading and investment, and the succeeded in persuading over the next few months. They recovery of the industry from over the next few months. They recovery of the industry from the administration office in Wilmslow, of film in 1985 and f33m last Cheshire, and 20 staff will be recruited locally.

Rationalisation, restructuring branch of the Shell international chemicals group. "I pleasant reception facilities to customers, and have the capacitate worldwide group."

The head office presented the opportunity. Housed tempovarily.

Seven business capacitaes.



'The whole of England does not have to operate out of London'

John Collins tells Hazel Duffy why he is uprooting 140 families

Frankfurt
August 28-September 3
International Post and Telecommunications Exhibition—SINGPOSTAL (01-891 6451) Sheuzhen

The head office presented the book. It is close to the manu-opportunity. Housed temporarily facturing—"I wanted us to be in an office block close to more identified with manufac-Cheshire, and 20 staff will be recruited locally.

Relocation of the head office is much more than an administrative arrangement for Collins. He intends to use the move to establish a much stronger advantage of flexibility and perpany within Shell, in the market, and with the general public.

Collins joined the UK arm of Shell Chemicals as managing of Shell Chemicals as managing to turn the company round.

Collins intenational chemicals group. He was given the brief to turn the company round.

Collins the head office block close to in an office block close to be satisfied with manufacturing, rather than just selling or trading. Taketuring—"I wanted us to be in an office block close to Shell-block or trading. Taketuring rather than just selling or trading."

In also believe that the moved to Chester without too moved to Chester without or too. In the north west. The like the intentio

board of the commercial via-bility of the move. The task then was to persuade the staff that the upheaval of moving home, schools, perhaps leaving elderly parents, and spouses finding new jobs, was to their long-term advantage as well as

From the start, Collins made the campaign of communicating all this to his staff a personal crusade. He also found very early on that, with his line managers, he would have to accelerate decisions about the careers of some staff. Employees were separated into two categories: those who



able future—they were advised not to sell their houses in London and buy in Chester, but to rent or lease in the north west. House prices in the area are high for the north of England, but people faced with taking up residence in London again would still have a con-siderable gap to fund.

people contemplate moves to other companies, and feel that London is the place to be if they are to keep in touch with opportunities.

"We have had to sharpen up our personnel practices, and go

could expect to be transferred Some younger staff wanted in for a higher level of open-overseas, or to work in the group head office which would mean London, in the foresee- pany. Joining Shell used to be career matter."

He has also found himself being more forthcoming on the long-term strategy for the company. The blueprint for the next 25 years has been outlined to employees. The areas where Shell Chemicals believes it can be most competitive have been identified. They are of two types: those in the "integrated" business which relates to the group, and its production of feedstocks; and "discrete" businesses, self-sufficient, which will include newer products as well as those traditionally produced by the company.

The plans require that both capital needs and the buman skills in research as well as manufacture be identified; after severe curbacks. Shell is likely to take on staff in future.

"We have to continue to con-"We have to continue to convince Shell that it is right to spend money in the UK, which means continuing to perform. We have a good chemicals business—three years ago that was not so—and by the year 2000 it will be a very worthwhile part of the portfolio."

Collins is determined that expansion will not lead to the recreation of a bureaucracy. That "greenfield" office just outside Chester increases his changes of greenfield.

DIARY DATES

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Autumn Gifts Fair (01-835-9201)
Olympia

Olympia

POSTAL (01-891-6451) Shember 1-4
International Industrial Maintenance and Cleaning, Municipal Refuse Disposal and Destruction etc Trade Fair (01-741-4437)
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September 5-10
Autumn Gifts Fair (01-855 9201)
Olympia
September 8-11
Offshore Europe Exhibition and Conference (01-549 5831)
September 8-19
Chelsea Antiques Fair (04447 Chelsea September 1418
September 1428
International Welding, Cutting
and Metal Fabrication Exhibition
—WELDEX (021-705 6707)
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Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

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August 11-14
Brazilian Summer Fashion
Collection — BRASIL FASHION
FAIR (01-29 08-7)
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The shore events is advised

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Brittol Evening Post. Temple Way, Bristol, 12 00 Grown and Tawke, Kingsway West, Dundee, 12.00 Grown Bart, Kingsway West, Dundee, 12.00 House Hotel. Chapel Lane, Great Bart, Birmingham, 3.50 ERF. Chimney House Hotel, Congleton Road, Sandback, Chashire, 3.00 Mountylew Estates, Hotel Russell, Russell Sciate, Hotel Russell, Bussell Sciate, General Council of British Shipping, 30-32 St Mary Axe, EC, 12.00 BOARD MEETINGS—Finals: Finals: Gnome Photographic Products McKay Secs. Saville Gordon (J.) Interless: Commercial Union Forcign and Colonial Inv. Tst. Novo Industri.

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CONSTRUCTION CONTRACTS

From brewery to luxury

HIGGS AND HILL BUILDING
is to construct a luxury twopart riverside development—
to be known as the Anchor
Brewhouse—adjacent to Tower
Bridge im London SE1, for
Anchor Brewery Developments. The project is expected
to cost in excess of £4.5m. ments. The project is expected to cost in excess of \$4.5m.

An existing malt mill is to be reconstructed and refurbished and will provide commercial and leisure facilities on the lower four levels topped by nine apartments and a penthouse on four levels, with integral lift, rotunda and viewing platform. A new glass and steel viewing platform on the western side of the mill will give panoramic views over Tower Bridge, the River Thames and the City.

The brewhouse, which is linked to the malt mill, will be totally new construction providing 21 riverside apartments and 2 shop. While new elevations will echo the louvred style of the original facades, extensive areas of new glazing will further enhance the views from the building.

The sliding glazed screens of the Thames elevation will

Tunbridge Wells Pantiles plan

Speyhawk Land and Estates to carry out a £5.3m design and construct contract in The Pantiles, Royal Tunbridge Wells. The project is due to start next month with final completion scheduled for February 1989 al-though some sections of work will be handed over by August next year. The contract involves all aspects of construction—new buildings alterations and refur-bishment—of the Grade II listed 18th century frontage buildings, area.

Eve's home and overseas orders



be stepped to provide hal-conies and terraces on the upper storeys. An elegant entrance hall will extend right through the building from front to back. Twelve Iron Tuscan columns, remaining features of the old Customs House, will be re-tained to stand in a four-level

NORWEST HOLST PROJECT to form offices, shops, health SERVICES has been selected by club, restaurant and beritage club, restaurant and beritage museum. The new construction work unites with the older buildings to create a courtyard. Groundworks include a sewer diversion of a 900mm brick built sewer under one of the buildings, and underpinning and piling to stabilise the existing buildings. The new construction features a reinforced concrete frame founded on bored piles and has been designed to complement the surrounding buildings within the Pantiles conservation area.

Overseas communications and is due to commence a major London hospital projects communications scheme for the boost EVE CONSTRUCTION'S BBC at the South Atlantic relay workload. The first project is station on Ascession island. The order was placed early in July workload. The first project is order was placed early in July a £3.5m busiding contract at St for the design, supply and erection of new radio towers and gey. London, N15. The North East Thames Regional Health works. The five self-supporting gey, Locaton, N15. The North associated civil engineering East Thames Regional Health Authority through Sebire All-towers with cross arms to prosopp Architects, has awarded the contract for the construction reflector screens will wary in the contract for the construction of a new single-storey 86-bed geristric ward block. In addition, some six months after the start this month, the demolition of the porter's lodge/laundry store will take place and the redevelopment will provide a new single-storey generator building and fuel bund. The contract, which is due for completion in January 1989, includes drainage, landscaping, roads, terraces and pavings.

The design from 55 metres will vary in height from 55 metres to 125 metr reflector screens will vary in height from 55 metres to 125

waterfall and pool feature.
Though the upper part of the brewhouse was destroyed by fire in the 1890s, the outline of the buildings is largely unchanged since the end of the last century, and the design remains very closely. design remains very closely related to the functions which they were intended to house.

Prison services BRIGHTSIDE ENVIRON-MENTAL ENGINEERING bas

MENTAL ENGINEERING has won five contracts totalling £7.6m. The largest, valued at £4m, has been awarded by Taylor Woodrow (Midlands) for mechanical services at HM Prison, Brinsford near Wolverhampton, being built for the PSA. A second, valued at £2.5m, has been placed by management contractor, R. M. Douglas Construction, on behalf of Ladbroke City and County Land for the "City Plaza" contract in Birmingham. The contract involves installation of the mechanical, electrical and plumbing services at this city centre, retail and electrical and plumbing services at this city centre, retail and office block development. The company has also been awarded two mechanical services contracts, each worth £400,000, to be carried out at RAF Cosford. The first is for Wates Construction which is constructing 15 barrack blocks, and the other is for the PSA for six satellite botler houses. A further £300,000 order has been awarded by John Laing Construction for mechanical and plumbing installations in the F. W. Woolworth store in Shrewsbury.

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Seven schemes for new homes

Seven new private residential developments worth more than 124m have been started in the south of England by BALFOUR BEATTY HOMES.

The projects are at Lindford, near Liphook (£1.8m), Chineham, Basingstoke (£7.9m), Winchester (£3.4m), Hailsham, Sussex (£3.2m), St Leonards, north of Hastings (£4m), Catford, London (1.4m), and Cambarvall and (1.4m) and Camberwell south east London (£2.6m).

All seven projects are being carried out by the Croydon-based southern region operation of Balfour Beatry Homes, which also has an additional four large private residential developments in the pipeline.

Refurbishment worth £25m

HOLLOWAY WHITE ALLOM, part of John Laing Construction, has been awarded £25m worth of contracts in the first half of 1987. Contracts include the £6.8m conversion of the National Liberal Club as an extension to the Royal Morganization Tristic Liberal Club as an extention to the Royal Horseguards Thistie Hotel. HWA is carrying out 15m worth of work for a financial client in the City of Loodon, as well as a 17m county house refurbishment in the western home counties. Work started in May on a 1500,000 office fit out at Piccaciily, Stratton Street for BET and work has begun on a town house refurbishment close to South Kensington for a European client.

Block of flats in Kensington

Construction for mechanical and plumbing installations in the F. W. Woolworth store in Shrewsbury.

**

FYRESPAN — a division of Briggs Amasco, a part of the Tarmac Group — has been awarded a contract worth \$220,000 for work at one of Britain's biggest privately funded sports centres—the 3,000 spectator John Nike Leisure-sport Complex nearing completion in Bracknell. Included in the work is Fyrespan fire resistant glazing

with a rate linked to Courte Base Rate will be varied accordingle With effect from the 10th August, 1987 the Deposit Rates on monies subject to seven days' notice of withdrawal are as follows:-5.25% per annum Gross* 3.75% per annum Net (the Gross Equivalent of which is 5.14% per annum to a basic rate tax paver). Rates are subject to variation and interest is paid half-yearly in June and December.

233 7

Michael Coveney

Traverse trilogy

The opening of another Edinaud baffled Noah, Treva Etlenne burgh Festival highlights the an impetuous soldier-cum-holyburgh Festival highlights the an impetuous soldier-cum-holycontinuing diversity and range man, and Decima Francis an
of work at the Traverse Theatre
under Jenny Killick's artistic
under Jenny Killick's artistic
glove. Best of all Leo Wringer
directorship. The Festival
proper has but one new play in
its drama programme and that
be gyrates and wheedles his
originates from Manchester.
Way into the little community
there is the occasional new
piece around town, in the
Assembly Rooms in George
ever, Miss Hardle abandons
street or at Richard de Marco's,
then to drift out to see in a
this year in Blackfriars Street
very limp second act. It is
off the Royal Mile. But cabaret
worth returning after the in-

The only trouble is that most new plays on the fringe are set in the past. Amy Hardie's Noak's Wife is a retelling of the Noah's Wife is a retelling of the Flood story starting in war-torn Mesopotamia 5,000 years ago. Contemporary by comparison is John Clifford's Playing With Fire, set in a Paris crypt during the Hundred Years War as a Faustian feminist searches for the philosopher's stone. We come bang up to date, or at least Nazi Germany, with Manfred Karge's Man To Man, a one-woman show translated by Anthony Vivis in which a clownfaced, punk-haired widow of a mana operator assumes her husband's identity and stuffs a rabbit's paw down her knickers in order to swagger and survive in order to swagger and survive like some Brechtian remnant, for instance Mother Courage in the, well yes, Hundred Years War.

Medievalism and Brechtia-nism are not really what we should expect to find in a crushould expect to find in a crucible of new theatre. Mon To Mon, though, proves raucously uncompromising in its modernism. The monologue, raspingly and enragingly well performed by Tilda Swinton, leaves no room for an audience to manocurve its own position. You have to take it on the chin as Miss Swinton stalks her white institutionalised parade ground littered with little bits of audiotechnology, old furniture, Christmas trees, a fridge. Bunny Christie's design in a calm white sea dotted with a fiotilla of mnemonic mine-sweepers. The

and no less welcome for that.

Noah's Wife is equally hard to sit through and even less rewarding. In the manner of extremely verboss plays, it says recourse to a remote by reluctance of Noah's wife to participate in religious super-stion and sexual feudalism.

Jemy Killick has assembled a sign, not entirely welcome, of strong black cast in which wilber J. Johnson is a bruised

national season continues in the Lyttleton Theatre on September

off the Royal Mile. But cabaret worth returning after the inand cobwebs characterise the burst, but only to see how an bulk of this year's fringe programmes. It is best to start at in Jenny Haag's design, the ark itself, animal cages and living areas all contained within a huge removed dest this timest. huge ramped deck that bisects an autonished auditorium.

an astonished auditorium.

Such scenic transformations are a perennial Festival pleasure at the Traverse. You return for Playing with Fire to find yet another gifted young designer, Paul Brown, having fun. Smoke helches from the stove of Justina the alchemist, the crypt is stacked with shelves, learned tomes and emblematic properties. One wall is enticingly covered with a medieval fresco representing some unattainable garden of delights. Justina (Celia Gore Booth) is disillusioned with science and troubled by mass powerty. Her dull husband (Richard Williams) dresses a what a love potton for all mankind might do. Then our pops Mephisto from the freezing fiery furnace to exchange a block of gold for Justina's signature in blood. The play progresses on a discursive rather than genuinely dramatic plane. Biblical analogies give way to Faustian variations and finally placement of the intellectual themes in a Shavian sociopolitical debate.

It is an ambitious scheme, and of Mr Clifford's three plays

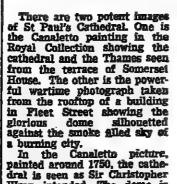
It is an ambitious scheme, and, of Mr Clifford's three plays to date, I found this one the least nobbled by the flights of debilitating whomsy to which he is fatally prope. Miss follick's cast is not uniformly thouse and one feels that David technology. old farmiture, Christine's design is a calm white sea dotted with a fintilla of Gant's sleek black devil with meanunic mine-sweepers. The actress in hobuall boots and torn at the pits, recounts an astonishing trek through the industrial florny wasteland having survived the war by deceit, and a career in placific and cloude works by default. She now with the pick up her pension in what the pick up her pension in what the priority of the performance. Unlike Brecht, though, ooly in the ferecity of the performance. Unlike Brecht, though, ooly in the ferecity of the performance. Unlike Brecht, whom St Joan eventually had the performance in the sattles for a series of ansedotal statements punctuated with self-impolating gestures—pulverising a wall with ketchup, through the fidge — that are pure old-fashioned pop art, and no less welcome for that.

Noch's Wife is equally hard

Japanese troupe to stage Macbeth in London The National Theatre's inter- tember 24.

Both production—in Japanese, translated by Yushi Odajima and Mutsulo Takahashi respectively—are directed by Yukio It with a production of Macbeth and Mutsulo Takahashi by the Japanese Ninagawa tively—are directed by Company, followed by Euripides's Medea from the same Japanese actor Mikijir company in the Olivier on Sepplaying the title roles. Ninagawa with popular Japanese actor Mikijiro Hira Architecture/Colin Amery

A noble plan needed for Wren's vision



dral is seen as Sir Christopher Wren intended. The dame is the triumphant Climax of the

Wren intended. The dame is the triumphant Climax of the procession of spires and towers instituted in the East by the golden flames that spring from the top of the Monument. London, even allowing Canaletto a little artistic licence, was a beautiful city.

We know from Wren's own clan for the rebuilding of the City of London, which he produced in less than a week from the outbreak of the Great Fire in September 1668, that he wanted a city with an hierarchy of radiating streets. He was much influenced by what he had seen in Paris on his visit in 1665 and by his meeting there with the elderly Bernini. In his city plan, which was to be the victim of commercial expediency, he set St Paul's in a piazzz with some kind of a giant order of pilasters on the surrounding buildings.

Despite the fact that Wren's grand plan for the whole city was never executed, he did achieve, as Canaletta showed, the magnificent effect of the dome of St Paul's triumphantly rupting from a skyline of pires and towers.

The same dome appeared to rimph over the destroyed city after the Nazi bombings but the

The same dome appeared to riumph over the destroyed city after the Nazi bombings but the second opportunity to provide the cathedral with a noble setting was lost in the post-war reconstruction programme.

The handsome and winning Lord Holford prepared the scheme for the precincts of St Paul's in the 1950s that is more or less what we see today but his was not the only post-war scheme. The Royal Academy Planning Committee, which included eminent academician architects like Lutyens, Giles Scott and Curtis Green, had been working since 1939 " to study the architectural problems which would arise in London after the war."

The Holford plan was a reaction to the almost Albert Speer-like formality of the RA proposals. The aim of his scheme was an English picturesqueness combined with the

scheme was an English pic-turesqueness combined with the new wisdom which removed traffic by putting service roads



St Paul's from the air shows the Paternoster site to the left of the cathedralthere should be scope for a completely new setting for Wren's masterpiece

and parking mer a huge concrete podium. To look back at the Holford scheme with its whimsical townscape drawings—endless views of piazzas full of sunshades and people leaning into the wind—created a superficially charming impression. Everyone in the 1950s, fresh from the apily contemporaneity of the Festival of Britain, was taken in by the plan.

Britain, was taken in by the plan.

Alas, the architecture of the buildings which we see today (by Trehearne and Norman, Preston and Partners) and the miserable quality of the public spaces and the sense of the whole precinct being cut off from St Paul's (mainly because it is elevated above existing street level) make it a very unsuccessful neighbour to the pathedral. cathedral

This year has seen the beginnings of a shird attempt to improve the setting of St Paul's with the proposed redevelopment of a large part of the Holford precinct to the northeast of the cathedral—the Paternoster Square area between the north side of the cathedral and Newgate Street. Full of the best intentions,

the Paternoster Consortium, consisting of the British Land Company plc, Unilever Superannuation Fund, Barclays Bank

Last week it was announced that Arup Associates have been selected to draw up a master plan for the area, a scheme capable of extension to include the offensive Juxon House (which protrudes across the west front of the cathedral) and Sudbury House (the tower block that is particularly damasing to views of the cathedral) block that is particularly dam-aging to views of the cathedral from the north-west). Neither of the aforementioned blocks belongs to the consortium—as yet. As a member of the jury I cannot discuss the aiceties of the extensive consultations that have produced this result, but it is important to point out it is important to point out that further architectural practices will be asked to design elements of the propo-sals and that there are further crucial consultations that remain to be completed.

Pension Fund and Stockley plc (taken over subsequently by Mountleigh plc) in March 1987 set up an urban design competition for the 4.3 acre site assembled by them.

Seven respected international architectural firms were invited to compete: Arata Isosaki from Japan, Skidmore Owings and Merrill (US); and five British firms—James Stirling, Richard Rogers, Norman Foster, Arup Associates are a distinguished British practice and at Broadgate is much prepare a plan and raise the profile of the debate that is bound to take place around this vitally important site.

It is essential that the City planning processes are supplemented by as informed a debate as possible. The debate has to be about an appropriate

It is essential that the City planning processes are supplemented by as informed a debate as possible. The debate has to be about an appropriate setting for a European masterpiece — St Paul's — the setting of which has been progressively suburbanised since the war. The City Corporation have a duty to ensure that the fhird duty to ensure that the third chance to rebuild is not left to the mercy of financiers and speculators. The whole area north and south and east and west of St Paul's should be the west of St Paul's should be the focus of an attempt to restore the dignity of the cathedral by surrounding it with buildings and spaces that discreetly complement it. The City should seize the day and make plans to remove the bad architecture of the 1950s and 1960s and gradually develop an architectural programme that in scale and imagination is worthy of Wren. A sensitive plan is only a start; this time there must be a noble conclusion.

The Wandering Jew/Lyttelton

Martin Hoyle

yearning in anguish on either side of the Bering Strait, their eternal agony linking Alaska to Siberia, before the narrator whisks us to the Inn of the White Falcon in Leipzig, then to India, where a handsome prince tosses in fitful slumber as a reptilian figure slithers through the dark towards him with a needle . . .

Reader, what is the connection between these figures?
Published in 1844/45 in
monthly instalments, Eugène
Sue's novel uses an epicromantic - social - melodramatic canvas, full of the coincidences and revelations that draw disparate threads together and recall Dickens, Mike Alfreds's recall Dickens. Mike Alfreds's production deploys a company of 17 to portray over 50 characters. He tries to out-Nick the RSC's Nickleby by miming invisible swords, letters, documents and food, and ringing minimal variations on the cast's basic costumes: black trousers for the men, period taffeta gowns for the women. The element of conscious theatricality in the Dickens' adaptation, however, here verges on parody, and finally, fatally, though not without entertaining us on the way. way, undercuts these attitudinising toy - threatre figures, frozen in their melodramatic gestures,

The first part might well make a satisfying 21-hour play on its own. The 1682 will of a persecuted Huguenot postulates persecuted Huguenot postulates a meeting of his descendants 150 years later. These range from a debauchée in the vie de Bohème (roughly contemporary, one realises, with Murger's world, later immortalised by Pucciui) to a missionary just returned from Augerica where they still torture European evangelists in the 1830s, taking in an independently-minded young feminist and an ageing marshal of France. These heirs to a by now massive fortune are opposed by the "black silent militia" of the Company of Jesus, Jesuitical practices are temporarily thwarted; and part

The National Theatre's new Act 2 should be made of five-hour marathon opens as a subtler stuff, when the wicked scrumptious piece of yarn-spinning. The seven-strong band brings up the restrained excitement of Hona Sekacz's silent movie-type music; we briefly glimpse two figures yearning in anguish on either yearning in anguish on either side of the Bering Strait, their purpose or poetry, and the law of diminishing returns is applied with Draconian rigidity.

Ultimately the episodically-structured work lurches, broken-backed, through a pre-

dictable catalogue of tragedies. Less gothic than Sue's own Mysteries of Paris with its hideous crones and sewer stabbings, the piece is at best a footnote to the current Romantic revival exemplified by Les Miserables and The Phoniom of the Opera. Michelene Wandor's adaptation admirably, and in apt style, highlights moments of intimacy with "thees" and "thous" but fails to paper over the narrative rank to paper over the narrative cracks, just as Mr Aifreds fails to breathe life into these tuppence-coloured cut-outs de-spite the production's energetic attempts to have its cake and Lacking Dickens's hard-nosed journalistic observation, the piece here hangs together only as an exercise in style—and five hours is too long for a drama school exercise. The demands on the actors are epitomised by Nick Dunning who comes to two sticky ends in the first half-hour, as an old horse eaten by a panther in Germany, then as a Dutchman strangled in India. Old associates of the director's Shared Experience company come off best, notably Sian Thomas, the free-thinking belle, whose realisation that she is in a madhouse, as the traverse curtains of Paul Dart's set close in on her and her shadow is in on her and her shadow is thrown, monstrous, behind her, is one of the production's many isolated fine moments. Mark Rylance throws himself into the style with barmy zest, bringing

a manic yelp to exclamations as diverse as "An asylum!" and Salt cod and turnips!" What of the eponymous Hebrew, dear reader? How does the scornful biblical artisan fit in, let alone Herodias, Salome's tune are opposed by the "black silent militia" of the Company of Jesus, Jesuitical practices are temporarily thwarted; and part tone ends with the prospect of the heirs getting their, and Mr Alfreds's next, act together for the triumph of virtue, or at least eccentricity.

So far so good. It has dawned on us that the villains are hissable and the goodies not to be taken too seriously. But



Pip Donaghy and Philip Voss

Bells Are Ringing/Cheltenham

B. A. Young

Xenakis's Keqrops/Albert Hall

Dominic Gill

Friday's Prom presented an enterprising 20th-century pro-gramme, played with uncommon vigour and commitment by the BBC Symphony Orchestra, and condcted with admirable preci-sion, if not with quite same degree of dramatic conviction, by Peter Botvos. The evening fered two new works: one a ong-delayed British première, the other brand new.

the other brand new.

The new work, Regrope for plano and orchestra, by lannis Kenakis, was written last year for performance by the Australian planist Roger Woodward and the New York Philharmonic. It is Renakis's third composition for plano with instruments: and like the early Eonia in particular (which is still perhaps the best known of all his works for that combination), it is once more an intion), it is once more an in-strumental duel — of charac-teristically brilliant and incisive ambiguity, and pungent reso-

ture for Xenakis — which dominates much of the work. Behind it (and sometimes, for fleeting moments, taking the front of stage before it) there are a plenitude of interwoven string figurations — one of the composer's possible given meanings of the title is "weaving," from his many (but these days from the Greek Krekoo and Opsis — punctuated by the nervous and unpredictable baying, like wolves in the night, of brass and reeds.

In ancient Mycenean mythoof brass and reeds.
In ancient Mycenean mytho-

logy, Kegrops was also the name of a ruler of double nature, at once man and dragon. The symbol is apt for

The piano first emerges from tenderness, hills before each would guess, a piece to add to a massive orchestral cloud to storm, are mixed in equal the list of Stockhausen's major introduce a pounding percussive measure with chattering morsemotive with powerful harmonic code alarms and incandescent implications — unusual departure of Kanakis — which and — Kagrone lasts code 17 To frame their evening the BBCSO gave us Stravinsky's

The delayed British "premiere" of Stockhausen's Spiel-

the revolutionary but short-lived genre of "static music" which Stockhausen and his teacher Karel Goeyvaerts were proposing in the early 1950s.

brilliant, sardonic, semi-serial ballet music for Agon with splendid virtuosity (one wished only, perhaps a little unkindly, that Eotyos could have achieved as much buoyancy as exactness in his direction of such a wonlogy. Kegrops was also the left" of Stockhausen's Spiel— in his direction of such a wondername of a ruler of double a very early piece dating from derfully airborne score); and to 1952, withdrawn and recently dish, a fine account of Harridagon. The symbol is apt for revised — could hardly have the violent and uncompromising dialogue which follows: a formalistic and introverted in sequence of electric exchanges its sonority and working as shot through with lightning, in Kegrops is instinctive, impulsible's name before the larger which tiny reminiscences of sive and exuberant. It's not, I

August 7-13

Arts Guide

Music

1777

PARCE

Abtelder Vokalensemble conducted by Wolfgang Helbich: Lassus, Bach (Mon., 8.38pm). Saint-Severin Eleftheria Koszin, guitar: One hour with Villa-Lobos (Tue 7pm), Audito-zium des Halles.

Gentry Mahier Jugend Orchestra con-ducted by Claudio Abbado, Maria Joso Pires, plano: Mozart, Mahler (Tue 8.38 pm), Salle Pieyel. Reguette Dreyines and Olivier Ban-mont, harpsichards: D'Anglebert, Caix d'Hervelois, E Cooperin (Wed, 7pm). Concert-Bencontre, Auditor-ium des Halles.

Orchestre National a Tie-de-France conducted by Claudio Santoro, Lige-ti, Villa-Lobes, Santoro (Thur, 8.30pm). Radio France, Grand Audi-All the above are parts of the Pur-is Festival Estival (4804 9801).

LONDON

BRC. Symphony Deductes conducted by Mark Edge with Peter Donohoe, plane. Besthown and world pre-miere of Nicholas Mass commission. Royal Albert Hall (Mon). (589 8212).

BBC Symphony Orchestre and Chorus and London Philharmonic Choir conducted by Mark Elder. Tippett, Suchus and Bathmaninov. Boyal Albert Hall (Turr).

Osto Philharmonie Orchestra conducted by Maries Yansons. Berlioz and Prokofiev. Royal Albert Hall (Tue).

Oalo Philharasonic Orchestra canducted by Mariss Yansons, Shostakovich and Strauss. Royal Albert Hall

WASHINGTON Wolf Trap: Pat Methazy Group (Mon). Vienna, Va. (703) 255 1868).

MEN YORK
South Mozart Festival (Avery Fisher
Hall: Cleveland Quartet. Horacio
Gutierrez piano, Bernard Greenhouse, cello. Mozart, Schubert, Becthoven (Moo); Mostly Mozart Festivel Orchestra. George Cleve conducting. Andre Watts piano. W. F.
Bach, Handel, Mozart, Rossimi (Tue,
Wed); Gerard Schwarz conducting,
Wol. Kymno Hong syngeno. Gail Dob-Wed); Gerard Schwarz conducting, Hei-Kynng Hong soprano, Gail Dob-ish soprano, Kaaren Erickson soprano, Jerry Hadley tenor, Michael Myers tenor, Mozart (Thur). Lincoln

Center (874 2424). inglewood: Knamel Ax piano, Yo-Yo Ma cello. Strauss, Schumann, Rach-maninoff (Thur). Lenox, Mass (413)

CHICAGO

evida Festival: London Symphony. Michael Tilson Thomas conducting, Alicia de Larocha piano. Berlioz, Mezert, Tehalkovsky (Wed); Chica-go Symphony. Leon Fleisher con-ducting, Katherine Jacobson piano. Stravinsky, Hindemith, Rachmani-noff (Wed); London Symphony. Mi-Nadja Salerno-Sonnenberg violin. Mendelssohn, Bruch, Dvořák (Thur). Highland Park (728 4842).

Amony and Cleopatra (Olivier): Peter Hall's hest production for the National Theatre he leaves in 1968 brings this great but notoriously difficult play to thrilling life, with Judi Dench and Anthony Hopkins as buttle scarred lovers on the brinth of old age. Dench is angry, witty and uhimately moving. Best of the rest at the NT is Michael Gambon giving his finest ever performance as Arthur Miller's documed longshoreman in A View from the Bridge, Juliet Stevenson in a fine revival of Loca's Yerma; and David Hare's production of King Lear, Hopkins, a massive gnarket oak, which gathers force and more friends as it continues in the repertoire (928 2252).

The Plantom of the Opera (Her Majesty's): Spectacular but emotionally mutritional new musical by Andrew Lloyd Webber emphasising the romance in Lerous's 1911 novel. Happens in a wonderful Paris Opera ambience designed by Maria Bjornson. Hal Prince's alert, affectionate traduction contains a smerb ecoproduction contains a superb cen-tral performance by Michael Crawford. A new, meritorious and pal-pable hit. (839 2344, CC 379 6131/249 7206).

Starlight Express (Apollo Victoria):
Andrew Lloyd Webber's rollersketing folly has 10 minutes of Spielberg
movie magic, an exciting first half
and a dwindling reliance on
indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel.

No child is known to have asked for his money back. (834 6184). 42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Mar-rick's tap-dancing extravaganza has been rapturously received.

(830 8100). (Barbican): Sadly dated and heavy-handed opening to the RSC's Genet retrospective, not helping to fight suspicions that the RSC, certainly in London, is stretched way beyond its creative capacities. Terry Hands directs, Farrah's set looks like a cheap pink brothel and the actors, a dull lot, clump around on high boots in hig bulging costumes. (628 8795). (836 8108). NETHERLANDS

anterdam, Stadsschouwburg, The English Speaking Theatre of Am-sterdam with Noel Coward's Private Lives directed by John Hartnett and starring Lesley Hughes and Chris Young (all week except Sun and Mon). (24 23 11).

NEW YORK

Pences (46th Street): August Wilsum hit a home-run, this year's Pulither Prize, with James Earle Jones tak-ing the powerful lead role of an old baseball player raising a family in an industrial city in the 1950s, trying to improve lot but dogged by his own failings. (221-1211). All My Sons (John Golden): Richard

Kiley has the gratifying part of Joe Keller in Arthur Miller's post-war moral tale of profits versus principle in a nicely dated production from the Long Wharf Theatra. (239 6200). Cats (Winter Garden): Still a sellout,

Trevoc Num's production of T.S. Elliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 5262). 42nd Street (Majestic): An immodest

And Street (Majestic): An immodest celebration of the heyday of Broadway in the 30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

A Chorus Line (Shubert): The longest-propriate wavelength of the property of the control of the con running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also undated the musical genre with its backstage story in

which the songs are used as audi-tions rather than emotions. (239 6200). La Cago aux Polles (Pelace): With some tuneful Jerry Herman scogs, Rurrey Flerstein's adaptation of the French film manages, barely, to cap-ture the feel of the sweet and bilar-

ious original between high-kicking and gaudy chorus numbers. (7572006).

Startight Express (Gershwin): Those who saw the original at the Victoria in London will barely recognise its Aperican improachion; the chatters American incarnation: the skuters do not have to go round the whole theatre but do get good exercise in the spraced-up stage with new bridges and American scenery to distract from the hackneyed pop music and trumped-up silly plot. (588 6510).

WASHINGTON

Satebase (Opera House): New amusical based on the life and music of Louis

Armstrong opens. Kennedy Center (354 3770). he Immigrant: A Hamilton County Album (Arena): An immigrant in Tewas at the turn of the century conveys the warmth and quirkiness of antobiography in Mark Harelik's play based on his grandfather's experiences. Ends Aug 18. (488 3300).

would have been strange to London audiences, and second, the Coliseum must have been too big for what is really an intimate little comedy.

Seurat stars John Herrera as the sub-plot, a generous anowance artist and Paula Scrofano as his for a musical.

Ella Peterson (Lesley Mackie)

Les Missimbles. After London and New York, now Tokyo and the Japa-nese version of the Tony-award win-ning musical. The cast was handpicked by the creative team of producer Cameron Mackintosh (from an astounding 11,500 hopefuls), then Japan, it differs little from the origimoving, this top-quality production shows what can be achieved with proper casting and training. Sponsored by the cosmetics company, Shiseido. Imperial Theatre, near Ginza. (2017777).

may have been two reasons— to all the first, it is full of New York arrested. references in the dialogue that would have been strange to

CHCAGO

That, at any rate, is how it is played in the far cosier Everyman, Cheltenham, with only leight in the band and eight in the chorus (and most of them given something else to do as well). And there is quite a designed by each the life of artist and Georges Seurat stars John Herrera as the

is a telephone operator for Susanswerphone, one of those places that took messages before they invented answering machines. She is secretly in love with one of her customers, Jeff Moss (Bernard Lloyd) a playwright who, as someone says, plays but doesn't write. When he fails to take an urgent trained for nine months in a special "ecole" and rehearsed by director John Caird Costmes, set, sound, lebting the control of the cost of recole and rehearsed by director John Caird. Costumes, set, sound, lighting have been supervised by the respective original designer flown in from London. Toho's Less Misèrables is a triumph. The best production of a Western musical in Japan, it differs little from the original Japan Ja Japan, it differs inthe from the original London version. Convincing and to whom she appears as a penthouse, a night club, Central ministering angel. She advises an out-of-work actor on his is John Doyle, who is a great turnout; and she helps her hand at small versions of large musical dentist to compose a musicals and certainly main-hit song. All these things turn tains his usual standard here.

This was a great success in out well but, meanwhile, a New York in the 1950s, when sinister Austrian Sandor (John it ran the best part of three Levitt), has taken over the years. In London it played at phone business as a betting the Coliseum where it didn't office, and to put it in a nutthe Coliseum where it didn't office, and to put it in a nut-even make 300 nights. There shell Ella's good heart leads to all the gambling mob being

There is an occasional spark of real wit in the dialogue, but not very much in the lyrics of the songs, though the tunes are al right. There is plenty of wit in Lesley Mackie's playing of

It is an uphill job, for she has to start as an ordinary shopgiri-character and she wears ordinary shopgiri-type dresses, designed by Glenn Willoughby in correct 1950s fashion, skirts halfway down the calves, but she blossoms into as clever and withy a girl as the script requires and she sings very prettily indeed.

Mr Lloyd, who plays his part as in early middle-age (fashionable in musicals in those days) also sings nicely, and, though his part never takes him into anything but the most wellworn emotions of love and frustration, he makes them seem to matter.

The dancing, choreographed by Kenn Oldfield, is inventive Park, or a subway. The director

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HOW THEY COMPARE

1979 80 81 82 83

FINANCIALTIMES

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Monday August 10 1987

Progress in Guatemala

THERE IS much to admire in Nicaragua into concessions, or the Central American "peace" to remove it from the scene alimitative agreed by five of the together. Throughout the long

reconciliation with its internal opponents by the end of next month. But the Washington waters were further muddled when it became apparent that Mr Jim Wright, the influential

in El Salvagor as well as Mica-ragua and to settle disputes be-tween Nicaragua and its immediate neighbours, such as Costa Rica and Honduras. Recognising the problems of reconciliation, it gives the nations concerned more time to resolve issues than the 60-day ultimatum the US had presented Nicaragua. It is trying to extract an agreement limiting the import of weapons into the whole region, from all

Beleaguered assistant

The problem with the Resgan initiative had been with its intent more than its content. Though it contained a pledge to negotiate with Nicaragua on certain terms—a development to be encouraged—it also seemed a device to increase the chances of winning more Congressional aid for the Contra rebels by imposing a deadline coincidental with a request to Congress for more funds. Over the past six years, the US President's track record on Central America has been nothing if not consistent. He and his advisers have always preferred the Contra option as

initiative agreed by five of the region's presidents in Guate-mala on Friday. But, as reactions in the US and Nicaragua over the weekend demonstrated, a lot of concessions are going to have to be made for it to bear fruit.

The agreement itself had been preceded by a proposal from President Reagan offering to withold US military backing reiterated their faith in the for the Contra rebels in Nicaragua if the regime in self; and the Contra leadership ragua if the regime in self; and the Contra leadership Managua agreed to negotiate a was far from enthusiastic about the Guatemala agreement, Mr Wright's role in the affair

underlines the genuine divi-sions in political Washington over what should be the proper US policy in Central America. Democratic Speaker of the House of Representatives, had been conducting some independent diplomacy of his own, working closely with the Central American presidents and, to a degree, with the White House.

The indigenous initiative is, on balance, preferable on several counts to that advanced by Mr Reagan. It is regional in scope, seeking to end strife in El Salvador as well as Nicaragua and to settle disputes betion's policy.

Important step

The Contras themselves, a motley crew largely devoid of policies and without much inherent claim to legitimacy inside Nicaragua, are certainly inside Nicaragua, are certainly not seen by many Congressmen as the "freedom fighters" for democracy of Mr Reagan's imagination. But there is equally little admiration for President Daniel Ortega's Government, with its scant regard for civil liberties and its apparent desire to fiex its its apparent desire to flex its regional muscles.

The Irangate flasco almost certainly has, for the moment, reduced the chances of more Congressional funding for the Contras, but not necessarily for ever.

Attention will now be focused on President Reagan's speech on Wednesday, when 23 has promised to redect on the Irangate affair and to look forward to the remaining months of his term. It is to be hoped that he will find a way to endorse without too many qualifications, the important step forward that was accomplished in to beat the ward that was a regime in Guatemala City.

Union power in S Africa

THE ANNUAL confrontation between South Africa's National Union of Mineworkers and the employers' organisation, the Chamber of Mines, has taken on the air of a ritual. The union pitches its wage claims unrealistically high, the chamber keeps a few per cent up its sieeve when making the opening offer and after further rounds of talks the two parties emerge with a settlement.

This year, however, there are

This year, however, there are more reasons for treating seriously the workers' threat to strike from last night at This politicisation of Cosatu strike from last night at many gold and coal mines, which are part of an industry accounting for about half the country's export earnings. The union has prepared the ground carefully and is better organ-ised than in the past. But there is a further unpredictable fac-tor: the increasing tendency of unions in South Africa to play a political role.

On the face of it, the threat y some 200,000 black mineworkers may fit into the pattern of the past. The union has or the past. The union has claimed increases across the board of 30 per cent. The Chamber has unilaterally implemented a rise of between 17 per cent and 23 per cent from July 1. The union's other demands include an increase in annual leave from 18 days to 30 larger death benefits (more 30, larger death benefits (more than 600 men died in accidents in South African mines last year) and other improvements in working conditions. These issues are as important to the NUM as the pay claim itself. Nevertheless, the gap would seem to be bridgeable, as it was in 1985 and 1986.

Fundamental change

the dispute changes, making confrontation more rather than less likely. The union itself has been growing in strength and experience since its formation 40 per cent of the 500,000 work-force in the gold and coal

to collective bargaining. Spearheading development to- becomes increasingly uncertain.

and its affiliated unions is not surprising given that altersurprising given that alter-native channels for the expres-sion of black demands are closed or impeded. Apart from the ban on the ANC, most of the leadership of the country's largest legal anti-apartheid coalition, the United Democratic Front, has been rounded up by the authorities.

Troubled background

Cosatu has also run foul of Pretoria. Thousands of trade unionists were among those arrested under the state of arrested under the state of emergency — although many have been released. The federation has been harassed in other ways. In May, Cosatu's Johannesburg offices were severely damaged by a bomb planted by an unknown party. Yet, as a series of strikes this year has shown, black workers continue to flex their muscles. Official figures show that days Official figures show that days lost over labour disputes in 1986 were the highest ever, This year has already seen two major strikes at OK Bazaars, Fundamental change

Fundamental change

Yet each year the context of the dispute changes, making confrontation more rather than less likely. The union itself has been growing in strength and workers.

Major Strikes at Ok Bazzars, one of the country's biggest retail chains, and at the state owned South African Transport Services, while black protest against the whites only election on May 6 was marked by a two-day "stay-away" of 500,000 day "s

It is against this troubled in 1982, with membership rising background that the NUM has from less than 20,000 to about made its strike threat. The 40 per cent of the 500,000 work-union is vulnerable to tough measures by government or employers. Its membership is This growth is part of a rehigh in some mines, low in markable surge in the trade others. Many workers are union movement as a whole, in migrants, liable to be sent back part due to the liberalising impact of the implementation of may make the union leaders the Wichahn Report in 1979 think again. But as the black which for the first time conunions begin to flex their policied to black labour the right tical muscles, the outcome of these collective beavairing. Dismal seems about the The European economy European Community's

kets.
Inflation worries have proinflation worries have provoked a one percentage point rise in Britain's already high interest rates and somewhat tarnished its image as the golden boy of Europe. The OECD's latest report on the UK, released at the weekend, may further dampen spirits: it predicts a sharp slowdown in

France and West Germany are also in trouble, even if industrial confidence has revived somewhat from its low ebb in the spring. Last month, Insee, France's national statis-tics institute, forecast growth of only 1.3 per cent, rising inflation, increasing unemployment and the elimination of last year's and the elimination of last year a mirrent account surplus. National concern about poor economic performance is mirrored in opinion polls showing that two thirds of the population believe France is a country in "economic decline."

There is more complacency in West Germany, perhaps be-cause inflation is still low (even by Bonn's standards) and the trade account in huge surplus; trade account in huge surplus; but the underlying frowth performance is no better than that of France. Last week, the Economics Ministry attempted to bolster confidence, just as it did in the summer of 1986. It is arguing that the "growth dent" of the first quarter (a euphemism for contracting output) was only a temporary setback.

back.

Perhaps, but unemployment is still rising and industrial orders falling. Neither the OECD nor the European Commission expects growth this year of more than a very diaappointing 1.5 per cent. Some private sector forecasters are more gloomy A significant recovery in 1988 cannot be taken for granted, not least because domestic politicians are doubtful whether tax cuts can doubtful whether tax cuts can be "afforded" against a backdrop of a rising public sector deficit.

Many of the smaller European economies are weak, to put it mildly. Real GNP, for example, is expected to decline in both Denmark and Greece this year. Indeed, the EC's average growth rate would be well below 2 per cent but for the surprisingly robust performance of the UK and the three "sunbelt" aconomies of Italy, Spain and Portu-gal. All four are expected to grow by about 3 per cent in 1987. The growth in Spain and Portugal is particularly grati-tying because if appears to be driven by a surge of fixed invest-ment. In Italy, however, as in the UK, rapid expansion of credit and worries about trade are casting shadows.

If Europe had enjoyed a strong cyclical recovery from the recession of the early 1980s, the present poor economic outlook in most countries might not matter a great deal. Unfortunately, it has not. Indeed, the relative economic decline of Europe in the 1980s

Meanwhile another kind of

Sorry, Columbus

Portugal discovered almost everywhere in the world for Europe, between the early fifteenth and mid-sixteenth

It is rankling a little, there-

fore, that the great celebrations that are being put together in the Old and New Worlds for 1992 are destined to fete that

it "his landing in the Bahamas."

Neatly timed to coincide with the start of Portuguese celebra-tions of Portugal's discoveries

centuries.

LISBON, Aurest 5

economic outlook. After a lacklustre first half, growth is unlikely to exceed 2 per cent this year and will certainly be insufficient to make inroads into unemployment which is running at almost 12 per cent. Indeed, far from planning ways of cutting dole queues, some EC countries are already beginning to worry about a resurgence of tries are already beginning to worry about a resurgence of inflation. At any rate, this is now the focus of financial markets. familiar further dampen spirits: it products a sharp slowdown in growth by the second half of 1988, accompanied by high wage inflation and a deteriorating current account. France and West Germany

By Michael Prowse

whether in terms of growth, jobs or infistion, Europe has been consistently outperformed by both the US and

Japan.
In Japan and the UE, real GNP has expanded by about 33 per cent and 17 per cent respectively in the past eight years. By contrast, as shown on the chart, in the European countries monitored by the OECD (the EC countries plus Scandanavia, Switzerland and Austria) output has grown only Scandanavia, Switzerland and Austria) output has grown only by about 12 per cent. In net terms, the European countries have created virtually no new jobs over the period and have been less successful in controlling inflation.

Yet Europe has not always been such a poor performer. It has rarely matched Japan's growth rate, but, until the 1980s, it grow consistently more rapidly than the US. It also had a record of lower unemployment: between 1972 and 1978, for example, the EC jobless rate averaged 4 per cent against 6.4 per cent in the US. Unemployment is now higher than in the US in every member country (except tiny Luxembourg) and on average almost twice as high.

Why has the EC gone into a Yet Europe has not always

is now a well documented (if ing to this view, EC govern-poorly understood) phenoments need to co-ordinate their menon. The truth is that, policies better in order to be able to engineer a concerted reflation of demand.

Few economists doubt that rigid markets can impair growth prospects. What is questionable prospects. What is questionable is the quantitative importance of such factors. Europe has been less entrepreneurial and more heavily regulated than, say, the US throughout the post-war period. How then was it able to grow faster and maintain lower unemployment until tain lower unemployment until the late 1970s?
The rigid market school has

The rigid market school has also got to explain why the jobs outlook remains so poor in spite of the 1980s. In its mid-year economic assessment, the European Commission argued that "considerable progress" had been made in improving supply conditions and the "adaptability of markets". Indeed, it points out that more employment is associated with a given amount of growth than in the 1960s.

a given amount or growth than in the 1960s.

Two decades ago, it says, growth of 4.8 per cent a year was needed to increase employment by 0.2 per cent a year. But between 1984 and 1988 annual growth of 2.4 per cent produced a rise in employment of 0.4 per cent produced a rise in employment. of 0.4 per cant a year. In other words, half the growth resulted in twice as rapid an increase in

why has the EC gone into a relative decline and what can be done to revive it?

There are two competing explanations. The first emphasises supply factors and argues that the poor performance in the 1980s is the price paid for post-war social and economic obstacles to employment have preneurably and undermined market forces. On this view, growth has been slow because politicians have lacked the courage either to sweep aside structural rigidities or cut Big Government down to size. The Government down to size. The ating enough growth to clear EC is suffering slow growth because its markets are still more scelerotic than those elsewhers of the 1980s.

and because government spending and taxation are still too high.

The alternative explanation concentrates more on demand factors and argues that macroeconomic policies in many EC countries—and most particularly in the linchpin economy gers of returning to a budgetof West Germany—have been excessively restrictive. Accord-

by control of current expendi-ture being wiped out by a weak increase in receipts." This is a message that seems tailor-made for West Germany's finance ministry. Like Japan, the EC has relied Like Japan, the EC has relied excessively on foreign demand (particularly from the US) to boost growth. In 1984 and 1985, EC exports (excluding intra-Community trads) grew by 7.5 per cent and 4.4 per cent in real terms. But the slowdown in growth in the US and the appreciation of EMS currences against the dollar has removed this stimulus. Extra-Community exports fall by 6 per cent in exports fell by 6 per cent in 1986 and are expected to fall

further this year.

In weighing up the arguments for new policies, perhaps continental Europe has something to learn from the UK. Britain has not, as the OECD makes clear in its recent report, outperformed its EC partners if 1979 is taken as the base for comparison. But it has undoubtedly done better aince about 1962. The reason for this is not wholly clear. further this year. is not wholly clear. The Thatcher Government

would want to stress its micro-economic schievements. No other European country, for example, has come anywhere close to privatising a third of its state sector, although France is beginning to climb on this bandwagon. Privatisation, even where it has not resulted in more connections, may have improved profitability and efficiency in the short run. By European standards, the

UK also has quite a good record on tax cuts, tax reform and the curtailment of industrial sub-sidies. In addition, it has scaled back the generosity of social security benefits more ruthlessly than some other EC countries and perhaps striven harder to inculcate more positive attitudes to entrepreneur-

Britain's surprisingly pregmatic macrosconomic polloy, however, are unlikely to work the fact that the UK has no point advocating fiscal had a lot of estehing up to do). Iroland Greece or Table where had a lot of estehing up to do). The Government has talked about the total elimination of inflation, but unlike West Germany, has not seriously tried to achieve it. It has not imposed anything like so severe a fiscal squeeze as the Bonn government, whatever the crude PSBR figures may suggest. West Germanty would be enjoying constant would be enjoying constant. about the total elimination of figures may suggest. West Germany would be enjoying considerably faster growth if, like the UK, it had opted to keep general sovernment horrowing at around 3 per cent of GNP. Free from the strait-lacket of the EMS, Britain has also been able to maintain a more com-

petitive exchange rate than some of the smaller EC countries. The message from the UK is that the "two-handed" growth strates so beloved of officials in Brussels (the combination of supply side reforms and looser macro policies) could put Europe on a faster growth path. The fact that Britain is

showing early signs of rune into inflation and trade con straints does not suggest that more austerity at the EC level is appropriate. The UK is merely feeling the pressures of any smallish country that enpends faster than its neigh-

alaise of slow growth and Ireland, Greece or Italy, where public sector deficits are still

tion and low bedget deficits. West Germany, quite obviously, has the greatest scope to boost could strive harder to match the recent growth rates of the UK and Italy. As the largest trading bloc in the world, the EC has nobody but itself to blame for its high unemployment and sluggish growth. Since members trade so heavily with each other, the bloc as a whole could undoubtedly grow much faster without running into belance of payments or infistion constraints. All that seems lacking is the political will.

Men and Matters

Joining the European Community put Portugal and Spain into a working partnership for the first time in their history. Neighbours on a peninsula which Spain dominates, they have paid little attention to each other this century. Portuguese (who tend to down-play their own historic achieve-ments) that a Portuguese navigator first sailed around the navigator first salled around the globe—comes a paper from a Rhode Island-based Portuguese scholar, Professor Manuel da Silvaira, insisting that Portugal got to North America long before anyone had heard of Christopher Columbus, the Nina Pinta or Santa Maria. In Portugal's case the back-In Fortugars case the path-to-back rather than face-to-face relationship had historic roots: the Portuguese psyche has never recovered from annexa-tion by the Spanish between 1580 and 1640. Friendly Spanish gestures are still viewed with Basing his assertions on a chart drawn up in 1424 by a gestures are still viewed with suspicions that behind them lie the old conquistador urges. So when the Spaniards suggested that a good way to get to know—and understand—each other better was to promote ex-

chart drawn up in 1424 by a Venetian cartographer which shows a group of "antilles," Silvaira claims that these islands are Newfoundland and Nova Scotia, first reached by Portuguese seamen well before 1424.

So move over, Christopher Columbus. As far as Silvaira is concerned the Portuguese should also be given credit for first landing in what is now the US—namely at the mouth of the Taunton River in Rhode Island where a Portuguese navigator, Miguel Corte Real, made an inscription on a rock in 1511. change visits between young Portuguese and young Spaniards, Portuguese officials spurned the offer. It might have helped: in the early days of the EC: France and Germany, once mortal enemies, arranged such exchanges with success. 1511.

exchange is thriving. Spanish tourists pour across the Portuguese frontiers in droves: more than 14m are expected this year—nearly one and a half times Portugal's population. Re-discovery

Like it or not, the Portuguese admit that Columbus sailed the ocean blue in 1492 and that Spain plans giant celebrations in Seville in 1992. But the admission does not mean dropping off the discoveries

map.

Far from it Portuguese officials and American entrepreneurs have a \$70m trump card up their sleeve which they intend to flash in 1990, two years before Spain's maxifestivities. It is called Lusolandia "Edge of the World," a gigantic theme park planned for the outskirts of Lisbon. Genovese protegé of Spain, Christopher Columbus, and as Portuguese scholars tartly put

unions begin to flex their poli-tical muscles, the outcome of these regular confrontations becomes increasingly uncertain.

Interior poli-and the icy wastes of the North these regular confrontations and to remind the world and century Portugal and of the made with a grant from the



"Well, I bet Doctor Owen would be interested to know about an alliance that has lasted since 1386"

African, Oriental and New World mysteries that Portu-guese navigators first unveiled. It began when Mario Soares, former Prime Minister, tried to woo a Disneyland to Portugal, in the home of recoming the in the hope of revamping the country's image as a tourist attraction. Disney Enterprises was not interested.

was not interested.

But an American diplomat turned businessman, Edward R. M. Kane, living in Lisbon, an enthusiast for Portugal and one of the people Soares lobbied in his drive to get Dianey to Portugal, thought of something. "Why harp on a Disneyland when Portugal had its own obvious, colourful and attractive theme right under its nose — the Discoveries" its nose — the Discoveries"— Kane said.

Lusolandia will be dedicated to the Portuguese discoveries. Visitors will be "discoverers employees and designant for a day." plunsing discoverers employees and designant for a day."



Luso-American

One of the lands Portugal discovered and eventually settled was Angola. Rich in coffee, ore

was Angola. Rich in coffee, ore and above all diamonds, Angola was the jewel in the Portuguese colonial empire.

The wind of change blew ferociously. Angola and Portu-gal severed their ties in 1975. In one fell swoop the diamond mines were nationalised and thousands of Portuguese share-holders in Diamang, the cor-poration that ran the mines, They went into other fields-

They went into other fields—
farming and mushrooms in
Portugal. Angola ran its mines
and lost fortunes: production
dropped by two-thirds, thefts of
diamonds multiplied.
History does not stand still.
Severed ties are sometimes
delicately restitched. This
summer, the Angolan Government and Sociedade Portuguesa
de Emprendimentos—the group de Emprendimentos—the group of thousands of former Dlamang shareholders—have signed a major agreement whereby the formerly dispossessed share-holders of the old Diamang provide training facilities and technical advice for Angolan diamond mine operations.

Quietly, the hatchet was burled. The Angolans needed the fruit of Portuguese experi-

ence and 12 years has been long enough for post-decolonisation



The grumbling revolution

By Robert Graham

AT MIDDAY the centre of merchant community, at least, Panama explodes in a cacophony is taking a long and cautions of car horns. From belcomies or view of the trouble, windows of the glass office Panama has never experwindows of the glass office blocks, people toss tickertape and rolls of toilet paper that slowly drift to the ground in the airless tropical heat. Passengers in cars wave white handkerchiefs or white flags and, from the street, the occasional white balloon is released.

White is the adopted colour of the protest movement, which has sprung up in the past two mouths campaigning to remove Panama's military strongman months of street demonstration and ruler General Manuel Autonio (Tony) Noriega. This midday protest is about the only demonstration Gen Noriega is prepared to tolerate from the loosely-grouped opposition movement, the Civilian

Crusade.

The unusual aspect of the protest is that it has sprung up spontaneously, outside any political party and from the normally tranquil middle class. Panama's 2.1m population contains propertionately one of the largest middle classes in Latin America. Its members are frustrated at the mompoly of power by the military and stress the need to end currupstress the need to end corrup-tion in government and estabtion in government and estab-lish democracy—something the country has never enjoyed. Serious signs of opposition are being stamped out with in-creasing ruthlessness. Panama now has no opposition media

and arrest warrants are out for five leaders of the protest move-ment. Meanwhile, intimidation is being practised by the authorities in countless ways—anony-mous threatening phone calls, businessmen losing commercial licences, workers losing jobs.

Gen Noriega, 48, is determined to stay in power. The protesters, persecuted and at protesters, persecuted and at times outmanoeuvred, are equally adamant: Nortega must go. "We will go on demonstrat-ing and will not be intimidated. ing and will not be intimidated.
We will not stop until Noriega
goes," Mr Aurelio Barria, president of the Chamber of Commerce said on Wednesday, just
hefore going underground
because of an arrest warrant
against him for subversion.
Gen Noriega is getting
rougher, sensing that the upsurge might be wavering. However, both sides seem intent on ever, both sides seem intent on singing it out to the end. Bank buildings, office blocks, jewellery shops and department stores in the centre of Panama either have boards or metal grilles over ground floor windows. The

ienced such persistent protest.
"We are not used to seeing such tensions in society," admits Mr Ricaurte Vasquez, Minister of Planning. The danger is that if could cause irreparable damage to Panama's status as a regional banking and financial The cumulative effect of two

and political uncertainty has been a sharp reduction in Government revenues and a two-thirds drop in business activity; business confidence has activity; business confidence has begun to be affected. Foreign bankers talk privately of the outflow of between 8 and 10 per cent of the banking system's \$32km (£20bn) local and offshore deposits—mostly to the Bahamas and Cayman Islands. Middle class affluence has grown up round the 50-mile canal, feeding off the US presence and, since the 1960s, benefiting from Panama establishing itself as a regional service centre. US activities in the canal area pump in \$520m a year and are a significant factor behind the average per capita income of \$2,200—high capita income of \$2,200-bigh in regional terms.

So far the canal has not been a serious issue in the political conflict. According to Mr Dennis McAuliffe, the US administrator for the Canal Commission, "ever since the protest movement began, the canal has functioned normally." But this week the commission warned workers against absenting themselves.

The US, which jointly con-trols the waterway by treaty until 1999 and has 9,000 troops stationed in the canal zone, has abandoned any pretence at neutrality in Panamanian polineutrality in Panamanian poli-tics. The State Department has endorsed the demands of the Civilian Crusade. The limited American aid package to Panama has been suspended and a series of officially sponsored leaks from Washington have tried to discredit Gen Norlega by alleging his involvement in corruption and drugs-related offences.

offences.

This has been countered by an officially sponsored anti-American campaign, accusing Washington of seeking to take advantage of the troubles to ensure control of the canal beyond the year 2000, but this has found little echo.



tween the Norlega camp and the US will have serious impli-cations if the General wins out against the opposition. The US relies on Panamanian co-operation for the smooth use of mili-tary facilities related to the southern command headquart-ered in the canal zone. Gen Norlega has been privy to sen-sitive information, because Panama acts as an Important point of contact for many cov-ert activities in the region.
Unlike the Philippines or Haiti, the Panama Government

is backed by a well organised party, the PRD (Revolutionary Democratic Party). This embraces the populist nationalism of the late General Omar Torrios. jos, who negotiated the 1977 Canal Treaty, which scaled down the US presence and provided greater sovereignty.
Government supporters claim the protest movement has no policies different from the present Administration and

merely wants a bigger siles of the financial cake. The latter point has been stressed in an effort to bolster working-class However, Gen Noriega has

underestimated the anger pro-voked by continuing military rule. And the opposition's push for clear government and democracy has attracted some of the traditional working-class support normally consigned to

Meanwhile, the opposition parties, of which the largest is the Christian Democrats, are backing the crusade. But they have been careful not to put their organisation in the firing

Downgrading the military's role will not be easy. Its position has partly evolved from the way the US has guaranteed Panama's security — until the advent of the late General Torrijos, Panama was effectively run as an American satellite, complete with a dollar economy. The 15,000-strong defence

forces were originally no more than a police force. Having no real military function, they had plenty of time to turn to business and politics. Gen Noriega assumed command of the defence force. the defence forces in 1983. Although hiding behind the formal power of an elected

president, he has not hesitated to manipulate the civilian authorities to his own ends and promote a personality cult. One of the books on display at the moment is a series of his "thoughts," which reveal he has little time for democracy.

The accusations against him are damaging—that he rigged the 1984 elections, denying victory to the veteran Christian Democrat politician, Mr Arnulfo Arias, in favour of his candidate, Mr Nicholas Ardito Barletta; that forced Mr Barletta to stend down a week later; that to step down a year later; that he installed in the presidency, uninvited, Mr Eric Arturo Del-valle; that he has allowed milltary corruption to extend to all areas of the economy — the \$4.2bn trade of the Free Zone, banking, property, gun running and drugs. Panama's offshore banking system, with tight secrecy laws, and tax-haven status have proved an ideal cover for the military.

Gen Noriega is further accused of being responsible for the assassination of a prominent opposition figure, Mr Hugo Spadafora, whose decapitated body was found near the Costa

Rican border two years ago. The allegations were given an unexpected edge in June when Colonel Roberto Diaz Herrera, ousted from the number-two position in the defence forces, made public accusations. No member of the military had previously gone against a fellow officer, let alone tried to pin crimes on Gen Noriega. Col Herrera even alleged that Gen Noriega was involved in the plane crash which killed the late Gen Torrijos. The Colonel went to prison for his outburst, but nevertheless provided the catalyst for the protest movement.

Gen Noriega seems confident of being able to ride out the storm. He is unlikely to step down voluntarily. If he were to do so it would mean the military conceding that civilians have ultimate power over the defence forces, and this could spell the end of their privileged position. Thus Gen Noriega and the 18 colonels in the High Command have a strong interest in sticking together.

The situation is further compicated because the President is a Noriega appointment. If the General were to go, then so would Mr Delvalle. But if the President went who would supervise new elections? In the past week, moderates

on both sides proposed a time-table for Gen. Noriega's withdrawal, to coincide with the 1989 presidential elections. However, these informal soundings have foundered.

The one element likely to force a change is the economic situation. Panama has no central bank, using the dollar as currency, and therefore cannot print money. The fiscal deficit for 1987 was originally projected. as \$140m, but is likely to be \$300m. This can only be covered through borrowing—likely to prove difficult in the circum-

The authorities rule out any move to suspend annual debt service payments of \$750m. Such a move, it is argued, would deeply wound Panama's image as a financial centre. More immediately funds are

being withdrawn from domestic banks. At least four Pana-manian banks are known to be under serious pressure. The closure of one of these would trigger a serious loss of confidence, and be tangible evidence of the demaging effect of the protest move

Lombard

A tale of two pay increases

By David Brindle

IT SO happened that two groups drop in earnings just to keep of UK public sector workers their jobs, Compulsory competi

At Caxton House, the Employment Department's commodious headquarters a stone's throw from St James's Park, the clock struck 11 am and it was officially announced that the latest figure for the underlying increase in average earnings was 7.75 per cent. Automatically, 140,000 police officers knew they would receive exactly that increase in their salaries from September 1. Meanwhile, at Hannibal House, one of the Department of Health and Social Security's soulless headquarters tower blocks across the Thames at down-at-heel Elephant and Castle, trade union negotiators were struggling the gottern

Castle, trade union negotiators were struggling to get an improvement in a 4 per cent offer for 250,000 hospital ancillary workers, who were due for an increase last April 1. By the afternoon, the offer had been hoisted to 4.5 per cent. By the evening it had inched to a "finel" 5 per cent. inched to a "final" 5 per cent
—£4 a week extra for most staff, 25 for supervisors—producing new weekly pay rates of be-tween £81.13 and £106.75 for

Annually, that works out at between £4.218 and £5.551. On appointment, a police constable younger than 21 wil, from September, sarn a basic £8,352: after 15 years, he or she will earn £13.938. All police officers

police are overpaid. The bargain they strike with society, that they do not and will not take industrial action, surely entities them to the protection of some form of pay indexation, although the regularity with which their present system produces rises of 7.5 per cent or more does nothing to assuage This is not to say that the police are overpaid. The bargain or more does nothing to assuage after the Government honoured

other workers' expectations.
No, the feir treatment accorded the police only throws into sharper relief the lot of the hospital ancillaries—porters, domestics, kitchen and laundry the rough edge of the Govern-ment's policies more than any other group of workers.

had their pay rises determined tive tendering for hospital on the same day in London cleaning, catering and laundry recently. But there the similarities ended. weekend premium payments. sickness and maternity benefits. Basic pay rates have so far been observed by most private contractors, but are unlikely to

survive the coming repeat round of tendering. On top of this—and largely because of it—the anciliaries have been in no mood or shape to resist a succession of low pay settlements that has pushed them to the bottom of the wages

According to unpublished According to impublished DHSS figures, average total earnings of ancillaries before this year's offer were £116.67 a week, made up of £81.72 basic pay, overtime, weekend premium, bonus, shift and other allowances. From this, the unions estimate that a quarter of male ancillaries and half the of male ancillaries and half the women were earning less than £110 a week gross. Mean earnings for all male manual work-ers last year were £174.40.

But if the average figures are stark, the individual cases are starker. There is the porter at St Albans City Hospital, Herts, working a week of six mine-hour nights for £191 gross, £137 take-home, who completed the "clothing" section of a union questionnaire: "Bought at Oxfam or other second

Or there is the domestic assis after 15 years, he or she will earn £13,938. All police officers also receive a tax-free housing allowance of between £1,011 and £2,874.

This is not to say that the police are overnaid. The bargain guestionnaire. amounted to

in full a pay review body recom-mendation earlier this year. And there, it seems, is the rub. For while the police and fire-

fighters have their indexation, the nurses, doctors and now the teachers their review bodies, the public sector's poorest rement's policies more than any lations are exposed to the harshother group of workers.

Since 1983, many ancillaries look at their relatively cosseted have had to take a substantial colleagues and wonder why.

The role of Pay-TV

From the Managing Director, BBC Radio

Sir,-Samuel Brittan (August 6) presses too hard his "clear-cut case for Pay-TV." No one seriously disputes a growing role for Pay-TV, as a natural on-air extension of what already happens in video stores. The air extension of what already happens in video stores. The key question is whether such a funding system can or should become central, or whether it will remain supplementary—to advertising and to licence fee monies.

that the cable television industry came out in strong support laying increasing stress on laying increasing stress on "scholarly knowledge and under standing of our collections." Sus Corby, advertising and to licence fee monies.

that the cable television industry came out in strong support laying increasing stress on "scholarly knowledge and under standing of our collections." Sus Corby, advertising and to licence fee monies.

Charles Johnscher's CSP report to the Home Office gives the answer "supplementary," adding that on grounds of general consumer welfare new needs might be better and more easily served simply by putting up the license of the consumer services and satel-trial forestering as well. The reason is that payment per programme or per channel goes to the very heart of maximising consumer satisfaction and choice allowing the subscribes up the license of the consumer services. needs might be better and more easily served simply by putting up the licence fee. It is a little swift of Mr Brittan to by-pass this point, purely on the grounds that the pegged and indexed licence fee is now a "political fact." Political facts change; indexation starts next spring but initially for three spring but initially for three

pack mto the licence fee is at root an argument about effi-ciency. Behind the rude mechanics of advertising and of the licence fee, lies a market which in terms of programmes and programme choice is open, free and sophisticated. grammes and programme choice is open, free and sophisticated. We can and do switch off or switch over; and to the time of three hours or more a day we also switch "on." Customers needs, in other words, are being met. Would the application of High Street item-by-item payment conventions add to the openness and sophistication of the existing system, or might the existing system, or might it in practice lead to serious instances of market failure, as range of appetites being less well addressed? This is the core of the matter. Samuel Brittan and the Percock committee saw advantage in a general change-over. Charles Johnscher fear serious maifunction. So do I, which is why I continue to argue against the short-sighted-ness of freezing the licence fee m real terms, at a time when

is seething.

m real terms, at a time when consumer demand is bouning and unsatisfied.

Incidentally is this also the first time Samuel Brittan has spoken of the Reithian Left? I thought the trouble with Relthing the provided by supplying service departments. That has now been swept away: a new last their stand for ians was that they stood for unhadgeable and stultifying conservation, or so it is claimed. Brian Wenham.

Broadcasting House, W1. Backed by

cable

Letters to the Editor

Communities and coal

From the Chairm Coalfield Communities Gampaign,

television operates now. We welcome the removal of restric-Sir, — Anthony Moreton's article on opencast coal opera-tions in Wales (August 4) was a timely raising of an issue of tions on broadcasting as it will facilitate the progressive acculturation of society to the free market reality of paying for what you want. Although the cable industry growing importance to coalfield communities. People should beware, however, lest they think it a solely Welsh issue. British Coal's wish is to increase UK openeast output by nearly 40 per cent to 18m tone years only; the way is wide open thereafter for new political facts, and for argument providing more entertainment led, it is not, as is DBS, just a method of providing more entertainment. providing more entertainment using a different technology. It about them.

The argument for seeking to re-introduce creative buoyancy back into the incence fee is at root an argument about efficiency. Behind the rude mechanics of advertising and mechanics of advertising and the licence fee, lies a marting the licence fee, lies a marting the licence fee in the licence fee lies a marting the licence fee lies at licence fee lies a marting the licence fee licence fee lies a marting the licence fee lies a marting the licence fee lies a marting the licence fee licence nearly 40 per cent to 18m tons per annum, although even it admits that an absolute maximum of only 10m tons per annum is technically needed by the UK markets. The motive behind this is profit, and Dr Bish's comment that openess operations cause only "some disruption" to communities typifies British Coal's blinkered ture, it deserves a similar degree of protection during its

formative stage to that enjoyed by Mercury. That is why we do not welcome the idea of more terrestrial channels and attitude to the issue. Opencast coal-mining des-troys for some years the environment of the localities in why we seek other changes to the existing regulatory regime. Nicolas Mellersh, which it takes place. Ton for ton, it uses up 96 times as much 50 Frith Street, W1. land as deep-mined operations and would, if BC got its way, destroy 12,000 acres of land per Seething at the Science Museum year, land which could only From the Assistant General rarely be restored to its former value. For as long as it con-Secretary, Association of First Division Civil Servants Sir,—The Science Museum is not "fizzing," as director Neil Cossons claims (August 6). It

tinues, communities have to tolerate a "moonscape" environment and unacceptably high levels of dust and noise. For many communities, this environmental intrusion frusis seeming.
Senior curators, represented
by this association, are bubbling with discontent over a
new restructuring plan. Formerly curators were responsible

output from the deep-mined sector (which last year made a level of assistant directors has £41m operating profit). It thus results in more pit closures been recruited to head five new divisions—marketing, public services, management, research and job losses, jobs which are made more difficult to replace and documentation, and collecby the nature of opencast operations themselves. Coaltions management. Public services takes over responsibility for objects on display; field communities are working management for objects in hard to restructure economics are going to smoke, they should stroke British made cigarettes.

It is not close of their study. From the Director,

Cable TV Association

Sir.—Evidently Samuel Brittan (August 6) is not aware

Sir.—Evidently Samuel Brittan (August 6) is not aware

allowed to predominate over the wider interests of those communities.

Nor are they helped by the
Department of the Environment's attitude that the
"market" should determine
the level of opencast output.
The Flowers Commission recommended as long ago as 1980 "the

level of opencast mining should be allowed to decline." Six

(Councillor) H. Salt, (Deputy Leader, Barnsley 1 Pontefract Road,

Barnsley, Yorks. **Boosting** imported

cigarettes From the Chairman Gallaher Tobacco

Sir,—Dr John Dawson, as re-ported by you on August 7, is entitled to his views, no matter how mistaken they are, on the impact of cigarette price increases on aggregate consump-tion. What he is not entitled to do, however, is to impute callousness to the industry in its endeavours to counter falling engeavours to counter sames consumption and to compete through efficiency. I find his reported comment that "the tobacco industry does not give a damn for the people who work for it " highly offensive, particuof depriving all UK tobacco employees of their livelihoods, while boosting enormously the Continental European tobacco industry. The effect of price increases of the magnitude described by Dr Dawson would be to force smokers to move from good British made cigar-ettes to marginally costed low

Yes, Dr Dawson, employment in the tobacco industry has suffered significantly over re-cent years due in part to falling consumption and in part to the environmental intrusion frustrates the pursuit of their central aim, that of rebuilding local economies shattered by the rundown of the deep-mined coal industry.

Worse still, stagnant coal demand and over-capacity in the industry can only mean that much opencast coal displaces output from the deep-mined sector (which last year made a necessity for major capital subindividual reduction causes us immense concern—but it has to be done in the interests of the survival of a British tobacco industry and the jobs of the majority. Surely even Dr Daw-

SOCIETE GENERALE DE BELGIQUE GENERALE MAATSCHAPPIJ VAN BELGIE

Incorporated in Brussels by Royal Decree on 28 August 1822 Registered Office: 30 rue Royale, 1000 Brussels Brussels Trade Register No. 17.487

REPORT BY THE BOARD OF DIRECTORS ON THE PROPOSED CAPITAL INCREASES TO THE EXTRAORDINARY GENERAL MEETING OF 26 AUGUST 1987

Ladies and Gendlemen.
We are calling this Extraordinary General Meeting to propose a capital increase by the issue of "part de reserve" shares, the creation of a new trenche of authorised capital, and a change in the date of the Annual General Meeting for approving the previous year's financial statements.

1. Capital increase
As a follow up to the plans announced at our Annual General
Meeting of 5 May, you will be asked to vote on the issue for
cash of 2,405,149 "part de réserve" shares offered to existing
ahareholders on a preferential basis in the proportion of 1 new
share for every 10 held, and of a maximum of 50,000 "part de
réserve" shares offered to members of the company's staff and
to managerial staff of affiliated companies. The number of
shares offered to shareholders is calculated on the basis of the
number of shares outstanding as at 30 June of this year. It
may be increased in line with the shares still to be issued as a
result of the everyise of warrants between 30 June and the 1. Capital immessa result of the exercise of warrants between 30 June and the aixth day before the subscription lists open.

The new shares will be absolutely identical to existing non-"part de réserve" shares, except that they will only carry and entitlement as from 1 January 1988. For reasons of simplicity and cost saving we are not proposing to grant partial dividend entitlement to the new shares (from 1 November according to normal practice). The entitlement would be negligible and payment would involve disproportionately high expenses. This factor will be allowed for in the issue price.

expenses. This factor will be allowed for in the assue price. In this respect, shareholders will be asked to authorise the Board of Directors to fix the subscription price. As explained in the agenda, this will be at least 75% of the average stock exchange price during the three months ending on the day before the price is fixed, adjusted to allow for the one-year difference in dividend entitlement between old and new shares. In sucordance with standard discount practices, the issue price will nevertheless be lower than the highest price recorded in the eight days preceding the fixing of the price, also corrected to allow for the difference in dividend entitlement.

As you may remember, the two previous issues raised BF 5,700 million in November 1985 (on the international market, without pre-emption rights) and BF 5,800.7 million in May 1986 (with pre-emption rights, I new share for every 10 held, and 50,000 shares offered to staff members).

The issues of November 1983 and December 1984 significantly improved the company's belance sheet structure, reducing net current liabilities from BF 12.2 billion at the end of 1982 to BF 3.5 billion at the end of 1984. Since then, coverage of tangible fixed assets and trade investments by own funds has shown the following trend (in BF millions):

Dec. 84 Dec. 85 Dec. 86 June 87 Tangible fixed assets 43,341 48,974 58,010 65,796 39,842 45,529 52,810 59,092 and trade investments Own funds (1)
Difference = net current 3.499 3.445 5,200 6,704 liabilities (2)

(1) After profit distribution, except for 30 June 1987. Own funds et that date include the proportionate share of profits (2) Provisions and current liabilities of all types less all receivables, investments and liquid assets.

As a linchpin of a diversified group, Société Générale clearly has a constant need for additional capital to support the group's expansion and restructuring efforts, and acquire new interests in line with its development strategy. Société Générale carried out major investments in 1886 and the flux half of 1887; participation in the capital increases for such of Generale Bank, CBR, Electrafina, CEDEE (ACEC's parent company), Compagnie Immobiliere de Belgique, FN (contribution of recent claims) and VIV, granting new own funds to Tanks without the issue of new shares, acquisition of interests in Alextel N.V. and CGE, setting up Synerfi, increasing the stakes in CBR and AG, extending loans to some subsidiaries and so on

Trends in the balance sheet structure since the May 1986 issue, coupled with the pursuit of the development strategy, continue to provide the company with fresh capital. The one-for-ten rights issue we are now planning is part of this strategy. It will probably be launched on 6 October, with rights quoted as from that date, and as before a tranche will be offered to staff.

2. Waiver of pre-emption rights

The General Meeting will be asked to approve a resolution that a maximum of 50,000 "part de réserve" shares be reserved for Société Générale staff and the managerial staff of its affiliates. These "part de réserve" shares will be issued at the same price as the right issue shares and will be identical in all

As in 1983, 1984 and 1985, this offer is extended in recognition of the invaluable contribution made by staff to the business activity and development of Société Générale and its group, and is intended to emphasise the common interests shared by the parent company and its many affiliates.

The financial impact of waiving pre-emption rights on such a small number of shares will be minimal. A theoretical calculation shows that on the basis of the net asset value of "part de réserve" shares as at 30 June 1987, i.e. BF 4,005 per share, the dilution resulting from the issue of an additional 50,000 "part de réserve" shares would be less than 0.03%. The Board therefore feels that this waiver of pre-emption rights is warranted in the company's interests, and asks you to approve the proposal

3. Authorised canital At the Extraordinary General Meeting of 7 May, 1985, you authorised the Board to increase the company's capital by BF 10 billion over a five-year period, and to waive share-holders' pre-emption rights if the interests of the company so

The Board has made use of this authorisation on two occasions: The Board has made use of this authorisation on two occasions:

— in November 1985, by an issue on the European market of "part de réserve" share for cash without pre-emption rights. 2,500,000 shares were placed at the price of BF 2,280 (the going stock market price less the difference in dividend entitlement). The issue raised BF 5,700 million, BF 3,120 were placed to the capital account, reducing the balance of unissued authorised capital to BF 6,880 million.

-in January 1987, to attach warrants to a DM 350 million loan —m January 1987, to attach warrants to a DM 330 million loan from its Luxembourg subsidiary GIF. If all the 2,660,000 warrants are used to subscribe for shares at BF 3,450, the increase in own funds would be BF 9,177 million, BF 3,330.32 million of which would be placed to the capital account on the basis of an accounting par value of BF 1,252 per share. If this is deducted from authorised capital it leaves a balance of BF 3,549,680,000, available for use until 29 May, 1990.

You will be asked to approve the replacement of this balance by a new BF 20 billion tranche of available capital for a period of five years, in order to issue "part de réserve" shares for cash or in exchange for contributions in kind, and to float convertible or warrant bonds, possibly with waiver of preemption rights should the company's interests so dictate. This procedure makes it considerably easier and quicker to implement capital increases, float issues outside Belgium and acquire assets in the form of a contribution to your company, and your approval of this motion will be appreciated.

4. Change in the date of the Annual General Meeting
Pursuant to the Royal Decree of 1 September 1986 on the
consolidated accounts of holding companies, the consolidated
accounts and annual report must be made available to shareholders at the same time as the unconsolidated accounts as from the 1988 financial year.

Consolidating the accounts of a diversified and decentralised consolidating the accounts of a diversined and decentralised group like ours, involving several levels of consolidation for certain subsidiaries and using methods which have still not been completely standardised, is a major and complex undertaking. In view of the additional factors of printing delays and the distribution of the annual report, it has become necessary to postpone the official date of the Annual General Meeting by six weeks. Your Board feels that it is preferable to embark on this policy of presenting both types of account simultaneously, and therefore adopting a later date for the Annual General Meeting, with effect from the 1987 financial year.

Brussels, 23 July 1987 The Board of Directors

Monday August 10 1987



Roderick Oram on Wall Street

Pan Am could fly into profit

PAN AMERICAN World Airways, after flouting the laws of financial aerodynamics through a decade of misfortunes, has -

a decade of misfortunes, has by selling off or mortgaging most of its assets - remained airborne long enough to stand a chance this year of turning in its first profit of the 1980s.

Faint signs that it might survive could help a coalition of Pan Am's unions as it tries to drum up support for yet another rescue attempt. But the picture for Sir James Goldsmith, the for Sir James Goldsmith, the Anglo-French financier, and others the coalition have in-

others the coalition have invited in for a look at the airline is still daunting.

In the short term, reduced labour costs and injection of new capital should tide it over, but Pan Am's future can never be assured until it reduces its assured until it reduces its near-total dependence on vola-tile international routes. That key aspect of the airline's char-acter, dating back 60 years to its once great days as a pioneer of transocean flights, has defeated several managements since the

It has also turned off suitors before, most recently American Airlines last January. While a wave of takeovers has swept through the airline industry and even a mighty company like Boeing is a raider's target. Pan Am has been conspicuously un-

Small wonder. Pan Am Corposmall wonder. Fan Am Corpo-ration, the airline's holding company, lost more than \$1.5bn as it shrank in size through the 1980s. Revenues of \$3bn last year were down 25 per cent from the 1980 peak. The air-line's last operating profit was line's last operating profit was nearly a decade ago and it made money in only three of the past

This summer's booming North Atlantic routes helped it make a modest second quarter net profit of \$10.5m against a loss of \$153.4m a year earlier and big profits should flow this quarter. But as of June 30 it probably had a negative net worth of \$50m to \$75m and cash of only \$175m, Long-term debt and unfunded pression liabilities. funded pension liabilities amounted to more than \$1.25bn.

Pan Am remains highly vul-nerable to events beyond its control. Last summer, for example, a surge in terrorist attacks bit its transatiantic business service the day Chernobyl blew

up. It has precious few resources left to survive any new external shock, having used in June its last unsecured aircraft and spare engines as collateral for a loan from General Electric Credit Corporation. It can afford to have more than 25 Airbuses on order only because the European manufacturing consortium is carrying all the financing risks.

All this leaves Pan Am as a mere shadow of the airline which dominated international after the Second World War, Mr Juan Trippe, son of a wealthy New York stockbroker, had built it up from a carrier of str-mail between Florida and Cuba into a virtual extension of US

He even offered to sell Washington a 49 per cent stake after the war If Pan Am was desig-nated the regulated monopoly US international carrier. Far from enjoying such a cosy fu-ture, it found itself increasingly challenged by other domestic and foreign airlines.

Most crucially, it relied heavi-ly on other domestic airlines to deliver passengers to its coastal city gateways for flights abroad. US airline deregulation in the 1970s, however, opened up many of the inland cities as gateways for domestic airlines with foreign ambitions.

Buying National Airlines in 1980 was Pan Am's main at-tempt to fix this fundamental haw, but it was widely consid-ered that management botched its efforts to integrate the lowfare airline serving mainly routes between Florida and the north-eastern US. Pan Am's share of the domestic market has halved from the 12 per cent it enjoyed briefly after buying

noeuvre would come with labour concessions to reduce Pan Am's average pay from \$48.778 to nearer the industry average of \$43,457 or even Continental Airline's rock bottom \$33,600. The wage bill reflects in part the greying of the pilot roster. The airline hired its first pilots since the late 1960s this spring.

The union coalition, which picked up 7 per cent of Pan Am's equity in earlier wage concessions, is prepared to offer more cuts for additional stock

as part of a rescue package. But the suspicion remains on Wall Street that would-be investors are more interested in Pan Am's parts than the whole. Its landing rights at Heathrow, for example, are worth several hundred million dollars. 'People would line up six deep with their cheque books for those," said one airline analyst.

IBM suffers fall in market share

BY TERRY DODSWORTH, INDUSTRIAL EDITOR, IN LONDON

IBM, the world's largest com-puter group, suffered a serious setback in the European data processing market last year, according to a survey by Datama-tion, the US computer maga-

The study, which also records a strong advance by Europe's indigenous computer manufac-turers, says that IBM's European market share fell to 35.3 per cent from 39 per cent in both 1985 and 1984. The US company was hit particularly hard by sharp revenue falls in its leading markets of West Germany and France.

and France.

In West Germany, the group's largest European market, data processing revenue fell almost 13 per cent, despite overall market growth of about 17 per cent in the same period. The decline in France, IBM's second largest European revenue producer, amounted to 9 per cent, says Da-

Computer sales in Europe (1986)									
Company	DP sales	Rise %							
IBM (US) Siemens (W Germany) DEC (US) Olivetti (Italy) Bull (France)	\$15.7bn \$3.9bn \$2.8bn \$2.7bn \$2.4bn	21.1 46.5 27.4 45.2 44.6							
Like the rest of the American	bined world revenue	s of the 2							

ever, IBM's overall European revenues were buoyed in financial reporting terms by the weakness of the US currency, giving it a 21 per cent increase in dollar sales to \$15.7bn. Eu-rope accounted for 32 per cent of the group's overall world rev-

enues.

The total European data pro-cessing market was valued by Datamation last year at over \$70bn, of which the top 25 companies operating in the region generated \$44.5bn, an increase of 29 per cent on 1985. Com-

(\$2.7bn), and Groupe Bull, the French group, which has just taken the lead in a consortium linking it with Honeywell of the US and NEC of Japan, in fifth

\$15.7m
\$2.8m
\$2.7m

Chad defeats Libya in border clash

LIBYA SUFFERED another serious setback in Chad at the weekend when the Chadian troops of President Hissene Habre captured Aouzou in the thin band of desert along the Libyan border annexed by Tripoll in 1973

Libyan corder annexed by Trip-oli in 1973.
Libyan jets counter-attacked late yesterday by launching what a Chadian official de-scribed as "intense and inces-sant" bombing of Chadian troops in the area.

It is the first time that Chad.

It is the area.

It is the first time that Chadian troops have penetrated inside the so-called Acuzou Strip in the north of the central African country since President Habre launched his campaign to reconquer the Libyan held next of his territory.

to reconquer the Libyan held part of his territory.
Earlier this year, the Chadian troops with French and US logistical support inflicted a series of humilisting and costly defeats on Libya north of the 16th Parallel, the line that used to divide the two zones of influ-



try with the exception of the 1,000 mile Aouzou Strip along Libya's southern border. Since annexing this narrow desert band in 1973, Libya has claimed it as part of its own territory.

Chadlan officials in Paris claimed at the weekend that the claimed at the weekend that the decision to penetrate into the Aouzou Strip for the first time and capture Aouzou had been taken in response to a Libyan military offensive. Chad had been expecting a Libyan offensive for some time, especially after the earlier humiliating defeats suffered by Col Muammer Gadaffi's troops in northern Chad.

and psychological advantage against Col Gadaffi and try to capture an important Libyan base near Aouzou.

News of the Libyan defeat was greeted with noisy street celebrations in the Chadian capital fo Ndjamena. However, there was no official reaction from the French Government yesterday on the latest events in Chad.

An estimated 2400 French

and capture Aouzou had been taken in response to a Libyan milliary offensive. Chad had been expecting a Libyan offensive for some time, especially after the earlier humiliating defeats suffered by Col Muammer Gadaffi's troops in northern Chad.

The officials claimed that the attack against Aouzou followed an earlier unsuccessful attack against Aouzou followed an earlier unsuccessful attack by Libyan troops against Bardal, about 50 miles further socialed Operation Sparround for the entire Libyan-held north of his councillation on its latest military presence in chad, but all are south of the form successes against the Libyan ans, President Habre said during his official visit to Paris last mount that he considered it would be premature to reduce the French military presence in Chad. The French troops were dispatched as part of the socialed Operation Sparrounded Chad with key logistical support supplying the Chadian troops continue to be stationed in Chad, but all are south of the fother prailel. Despite his recant successes against the Libyan ans, President Habre said during his official visit to Paris last mount in the Tibesti mountain would be premature to reduce the French military presence in Chad. The French troops were dispatched as part of the considered it would be premature to reduce the French military presence in Chad. The French troops were dispatched as part of the considered it would be premature to reduce the French military presence in Chad. The French troops were dispatched as part of the considered it would be premature to reduce the French military presence in Chad. The French troops were dispatched as part of the considered it would be premature to reduce the French military presence in Chad. The French troops were dispatched as part of the considered it would be premature to reduce the French military presence in Chad. The French military presence in Chad. The French military presence in Chad. The French military president Habre had virused to the considered it would be premature to reduce t

BA close to decision on \$2bn jet order BY MICHAEL DONNE, AEROSPACE CORRESPONDENT. IN LONDON

BRITISH AIRWAYS is now two weeks, and BA held talks with some of them as recently as this past weekend.

The airline's planners are still understood to favour the still of the short-to-medities of the same of them as recently as this past weekend.

As a result, suggestions that Airbus, the European jet manufacturing consortium, had been facturing consortium, had been sufficiently as a result, suggestions that the short-to-medities of the shor its long-planned \$2bn jet orders to replace its ageing 19 Lock-heed TriStars, and a statement may come this week.

planned to put recommenda-tions to the board last Friday, but the proposed £237m merger with British Caledonian intervened, resulting in a delay.

The major manufacturers -Airbus, Boeing and McDonnell Douglas, and engine makers General Electric, Pratt & Whitney and Rolls-Royce - are understood to have taken advan-tage of this situation to submit

chain owned by Burton Group, will later this month start a

mass market stockbroking ser-vice in Britain which is planned

to consist of more than 40

'share shops' in the next three

Last week, Debenhams Invest-

Last week, Debenhams Investment Services was given the formal go-ahead to become a member of the London Stock Exchange. It will start trading under the name 'Debenhams Share Centre' in two Debenhams stores - in London and Bristol-as early as August 24.

Mr Matthew Orr, DIS director for sales and trading, said the public appetite for share dealing had been whetted by the British Government's privatisation issues at a time when tradi-

Continued from Page 1

major difficulties, not least the opposition of their governments, who rely on their remit-

Mr Peter Gush, chairman of

Anglo American Corporation's gold division, which is heavily

unionised, called on workers to

ignore the union's call and ac-cept the Chamber of Mines' 1987

The airline had originally ruled out by BA were strongly defined yesterday.

The choice for the TriStar replacement falls into two sectors, short-to-medium haul and long-haul, each involving about 10 sircraft worth \$1bb.

The short-to-medium haul in-volves the Airbus A-300-600 and the Boeing 767 twin-engined jets while the long-haul choice lies between the Airbus four-engined A-340 and the three-engined McDonnell Douglas MD-

UK group to open share shops

ing it less attractive to service the small client because of

systems.
DIS is determined to become

one of the top players in the British retail stockbroking mar-

ket by offering a service that is simple, accessible and competi-

tive. We are the friendly face of wider share ownership, Mr Orr

For the last couple of years, stockbroker Quilter Goodison

has been operating share shops in Debenhams' London and Bristol stores. This arrange-ment will now end.

However, Mr Orr, who ran the two Quilter stores, and several DIS registered representatives

the board and improved fringe and holiday benefits, but is also

over the industry.

The Chamber of Mines, which

represents the five major min-

ing houses - Anglo American, Gencor, Rand Mines, JCI, and

Goldfields of South Africa - also

seeking to strengthen its power

Thousands back S African strike

World Weather

problems with settlement investment management

DEBENHAMS, the UK retailing tional stockbrokers were find-

But in the long-haul battle, al-though the MD-11 was favoured earlier, Airbus is believed to have made an attractive offer deserving serious consider-

Engine choice is the compli-Engine choice is the complicating factor in this competition. The Airbus A-340 is being company to convince BA that it offered solely with a Franco-US engine, the CFM-50-5, whereas in time Otherwise, BA would be the MD-11 can be offered with obliged to choose either GE or either General Electric CF6. Pratt & Whitney engines, which 80C2 or Pratt & Whitney PW-would be damaging for Rolls-4000 engines, with a possible Royce in world markets.

The share centres will offer

Experienced investors will be

able to come into a share cen-tre, study prices on one of sever-

al Topic screens and then go to

a counter to put in a buy or sell

Those seeking advice will go

tionary and non-discretionary portfolio management services

for clients with £10,000 (\$16,000) or more to invest.

Union leaders hope that a

three services: straight share dealing, investment advice and

new Rolls-Royce engine, the RB-211-700, also in the running if it can be developed in time to ment BA's needs.

The MD-11's chances have been strengthened in the light of the proposed BCal merger. because that airline already has orders and options for nine MD-lis with General Electric

But BA has a preference for

rules to control takeover bids

Continued from Page 1

fined to mergers, a more cum-bersome and less frequently

man presidency, possibly early in 1988. Union leaders hope that a mass stayaway will lead to concessions by the chamber. But last night industry executives they feel the new rules should said no further talks were have national statutory backing planned and expressed confidence that many mines will be They show no sign of budging. said one EC diplomat.

EC prepares

nance and distort free competi-Under present EC rules the nearest thing to a takeover code is a nine-year-old directive con-

Those seeking advice will go to a registered representative.

DIS will not be producing its own research, but buying it from other brokers like Bartlay of Zoete Wedd and then rewriting and "popularising it."

Finally there will be discretioned and across internal orders. bids both within EC countries and across internal orders. The draft attracted a hostile The draft attracted a hostile reaction from the UK, West Germany, France and Belgium when it was first presented to national experts earlier this year. Ireland and the Netherlands also have reservations. It looks almost certain to encounter the servation of the pay award, introduced untilater-ally on July I, which ranges from and promised that manage-left to 23.5 per cent. The NUM is ments would protect all those demanding 30 per cent across who wished to do so.

able to maintain production.

Indicators awaited Continued from Page 1

Last July's figures, which were exceptionally low, will now drop out of the annual figure and in recent months most non-oil commodities have expe-renced sharp price rises, of be-tween 25 and 35 per cent in dollar terms on an annualised

basis.

statistics already published into output prices, which are which provide evidence of overheating and the money supply rise. Similarly the consensus is figures due to be published a that the figures for average earnings, due on Thursday, will characters of the state The other key economic indishow a year-on-year increase of cator will be the producer price around 8 per cent and that the indices to be published today. Retail Price Index for July, to Retail Price Index for July, to be published on Friday, will show an inflation rate of about 4.5 per cent

Mr Roger Nightingale, the UK economic analyst at Hoare Govett, believes the greatest source of worry to the stock market is the prospect of tighter credit and that these indicators will have only an indirect effect These increases are not exthrough their influence on government actions, THE LEX COLUMN

Germany's turn in the sun

The strength of the West German equity market over the past two months seems to call for fundamental explanations, but they are not easy to come by.
Granted, many investors had
enveloped themselves in such a
cocoon of misery over German economic growth prospects and the strength of the D-Mark that a string of recent economic fig-ures, while certainly poor, has been greeted almost with a sigh of relief. Although industrial production fell again in June and unemployment has been rising, production for May and June together were still ahead June together were still ahead of the level for March and April

of the level for March and April and capacity utilisation is even believed to have increased.

Moreover, the dollar's latest bout of strength has confounded the pessimists who forecast a bleak outlook for many of Germany's blue chip exporting companies. With the dollar steady at about DM 1.8, the outlook seems less dire. Even the Airbus might start making money. But the economic and currency data, so far as they go, are hardly enough to fuel the market's latest rise - nor are signs of Far East buying and the everpresent speculation about Japanese institutional investors just around the corner.

On the other March and April 1987

proved terms of trade, and planned tax cuts next year should maintain the upswing stake in Massa focused interest on the sector, even if some analysts think the company is becoming overstretched. Chemicals have also enjoyed a good run, thanks to a temporary restaint speculation about Japane ness institutional investors just around the corner.

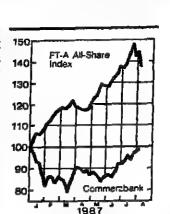
On the other hand, when other than the content of the corner in the sector shows no momentum and, more important, interestation of the corner.

nese institutional investors just around the corner.

On the other hand, when other markets are marking time, only the bravest fund manager fights the force of sentiment in deed, the first hint of an upturn in German share prices after months in the doldrums conveniently coincided with a period of stability or profit taking in other European markets.

France went off the boil in May, while last week's collapse in the UK could help to maintain the present German rally. And many fund managers have felt iess than comfortable in the content of the boil in May.

time earnings at the big three banks were disappointing, as expected, buyers soon cheered themselves in the belief that second-half earnings will recov-



present German raily. And many fund managers have felt less than comfortable in tion had been licked, the threat southern European markets to pre-emption rights returns. like Spain and Poringal, in spite of their good runs.

So now it is Germany's turn. Those money-men urgently scratching round for fundaments being checked by the institutional old guard. But with scratching round for fundaments being checked by the institutional old guard. But with the expansionist ambitions of tals to justify their new-found UK companies undimmed and confidence in Germany have most of those recent rights isfound only limited comfort in the face, pressures are mountable for unchanged dividends for guidelines.

Pre-emption Mark 2 will be more subtle. Corporate finan-

clers are already busily examining the vendor placing loop-hole identified by Rillsdown Holdings ten days ago. Hills-down's £150m Euroconvertible er to last year's levels. Deutsche bond - without clawback -Bank responded accordingly, would, if fully converted, ex-rising DM 53 to DM 714 last ceed the Association of British Bank responded accordingly, rising DM 53 to DM 714 last ceed the Association of British Insurers 2.5 per cent pre-emption limit several times over. The issue is in part a vendor dence, although it is hardly cheap, with ple ratios well above 20. Consumer purchasing power has been rising thanks to the positive effect of the limits of the consumed by the

vendor placing to qualify for the higher limit. The issuers would prefer to

The issuers would prefer to stress that the bond, with its low coupon and high conversion premium, provides an escape from the usual trade-off between the benefits of by-passing pre-emption rights (speed, cost and broader shareholder base) and the transfer of value away from existing shareholders. The latter ought to benefit from their company's lower interest charge and then, thanks to the befly conversion premium. beffy conversion premium, avoid any earnings dilution.

evoid any earnings dilution.

Even leaving aside purist hostlity from the likes of M&G to quantitative dilution, this view is not embraced by many institutions. The problem of valuing convertibles - particularly with put options - has not disappeared. Also, new shareholders arguably benefit from a higher wind prior to conversion Mare yield prior to conversion. More fundamentally, the conversion premium need only be a floor; if the share price shoots up then the converters may enjoy a cheap entrance ticket

cheap entrance ticket.

Barings, which has just published a modest defence of the Euroconvertible, suggests a call option for the issuer as a way of minimising the latter problem. But as Barings believes a Euroconvertible is cheaper than a non-underwritten deep discount rights issue (thanks to the Inland Revenue), that may seem an unecessary complication. The bank also stresses the useful balance sheet ambiguity of the convertible; interest on the bond is tax deductible, but commercial bankers can be per-

mercial bankers can be per-suaded that the convertible is equity for gearing purposes. It remains more difficult for companies to have it both ways with their own shareholders, if convertibles are deferred equi-ty, then existing shareholders are suffering an unfairly low yield relative to the newcomers. rather than benefiting from lower interest charges on debt. However, the main concern to institutions like the Pru is that as convertibles (and put op-tions) become more attractive in volatile markets, why should they be only available to new investors? Most of the tax benefits would stand if convertibles were issued as part of an orthodox rights issue, and is it really necessary to issue the bonds in

bearer form? This time the institutions are being disingenuous, for many have been lukewarm about convertibles in the past. One good reason for their suspicion - the undervaluation of convertibles in bids - could now diminish following Chesterfield Properties' decision last week to protect its new convertible holders from enforced conversion on unfa-vourable terms.

Marston's

Brewers of traditional Burton beers including the renowned Pedigree, Low 'C Pale Ale and Pilsner Lager.

Results for the year to 28th March 1987

Turnover	Year Ended 28 March 1987 \$*000 72,181	Year Ended 31 March 1986 \$1000 69,623
Profit before Taxation Profit retained in the	11,427	10,163
Business Earnings per share	5,020 8.32p	4,423 7.34p
Dividend per share Dividend Cover	2.55p 3.26	2.24p
Net Assets per Share	94p	3.27 88p

Draught Pedigree continued to

enjoy strong growth. Sales of Marston's Pilsner & Marcher lagers continued to

improve. Sales of bottled Low 'C' increased by 6%.

awarded overall Gold Award in the Brewing Industry International Awards Small-pack Beer competition

The renowned Owd Rodger was

The Secretary, Marston, Thompson & Evershed p.l.c. The Brewery, Shobnall Road, Burton-on-Trent DE14 2BW.

Copies of the report & accounts can be obtained from the address above.



SECTION II – COMPANIES AND MARKETS **FINANCIAL TIMES**

Monday August 10 1987



Giant Yellowknife said later it

support from other Dome Mines

shareholders against the proposed

copper producer, will put its gold mining activities into a new subsid-lary, Inco Gold Company, initially

to handle the financing of a new

Golden Knight mine in the new Casa Berardi camp in Quebec's Abiti-bi, 500 miles (800 km) north of Mon-

treal, is expected to start in 1989 at

a rate of 60,000 oz yearly, but the mill will be able to handle double that amount. Eventually the invest-

ment required will be more than

Also in 1990, Inco hopes to start

up two other gold mines, one in Montana and the other in Brazil

The company's target is production of about 400,000 oz of gold annually

by the late 1990s, assuming prices

Production at the jointly-owned

gold mine in north-west Quebec.

Dome Petroleum

rejects offer from

Giant Yellowknife

en Canadian energy company, has had cancelled plans to marshall

per cent interest in Dome Mines, still opposes the merger plan and one of Canada's oldest gold mining will "review prospects" after Wedcompanies.

will "review prospects" after Wedcompanies.

Dome Mines is also a significant • Inco, Canada's largest nickel and

C\$100m.

DOME PETROLEUM, the debt-lad-

rejected a C\$449m (US\$338.6m) of-

fer from the Australian-controlled

Giant Yellowknife Mines for its 21.5

minority shareholder in Dome Pe-troleum. The block of Dome Mines

held by Dome Petroleum is pledged

Giant Yellowknife, controlled in-

directly by Ariadne, Mr Bruce Judge's Australian investment

group, had bid C\$21.50 cash a share

for the Dome Mines controlling

block in an offer which expired last

Friday.

Dome Petroleum would not ex-

plain the rejection, but said it would vote its controlling block of Dome Mines in favour of a merger of

Dome Mines with Placer Develop-

ment, a large Canadian-based inter-national base metals group, and Campbell Red Lake Mines, a Cana-

INTERNATIONAL BONDS

Inflation fears encourage commodity-linked issues

LAST WEEK looked like a bond dealer's nightmare as oil price rises, fuelled by increased tensions in the Gulf, renewed fears of rising inflation workiwide, writes Clare Pearties of choices now available to investors in the secondary market.

Though towards the end of the week the sharp fall in bond prices was beginning to look overdone, it had been sufficient to slam shut the Eurobond new issues window, and just a handful of deals, mostly equi-

ty related; slipped through.

But a couple of issuing houses resiliently adopted an "if you can't beat 'em, join 'em" approach and sought to capitalise on investors' retreat from fixed-interest securities by launching commodity-linked is-

Swiss franc foreign bond market with two deals for Rhône Poulenc and Olivetti (for which Union Bank of Switzerland was lead-manager though Shearson supplied the gold).
Swiss investors have a particular

penchant for gold-linked bonds, of 4% and 4% per cent respectively, which have become a well-estab-lished sector of their market this amounted to around 30 per cent at year. More than SFr zon would such issues have appeared, most of them bunched around the period at end of the range in the secondary market, where premiums varied because of Annil when the dollar market, where premiums varied because 27 and 40 per cent. But

tors in the secondary market.

broadly similar but Rhône Poulenc's bond met the stronger initial response, as it was launched on Tuesday when gold had risen to around \$476 as fears over the Gulf

Both bonds were quoted on Friday afternoon at less 2% bid, a resues.
Shearson Lehman Amex Finance level assuming standard fees. A revived the gold linked bond in the ed little reason to buy the new bonds while better value was avail-

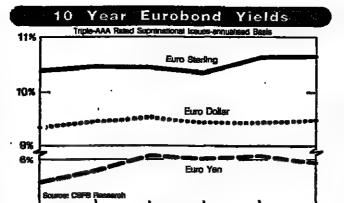
able in the secondary market. Assuming coupons on straight fixed-rate bonds of the same maturity for Rhône Poulenc and Olivetti

The terms of the two issues were

Olivetti's timing was less propitious. The bond emerged on Thursday, by which time the gold price had dwindled to around \$468.

was enduring a sharp fall.

Although last week looked like others said the vast majority of sea-



soned bonds were trading at premjums of below 30 per cent.

Dealers also said that the bonds' 2 per cent coupons offered little downside protection. If the gold price remained static, the bonds would only be worth 85 per cent of their par value while the downside on bonds in the secondary market was in some cases only eight or 10

Meanwhile, Goldman Sachs in London was busy arranging the first-ever Eurobond market issue of

lowed a pioneering oil-linked bond for Kredietbank International which Goldman arranged in Switzerland last month.

The oil warrants issue came in two tranches of two-year calls and puts, which may be exercised at any point during their lives, and which were being offered on Friday at \$400 and \$470 respectively. Each arrant is exercisable on 100 barrels of oil, and the exercise price is \$21.50 a barrel in each case,

Goldman said the warrants were primarily aimed at retail investors

although the calls could attract in-terest also from fixed-interest fund hinges on tomorrow's all-important managers as hedging instruments. Back in the straight Eurobond market, the Euroyen market was hard hit last week on worries about

Middle East tensions and a report by the Bank of Japan that growth ceivably tempting yield levels in the was picking up. In hectic trading during the first two days of the Friday, a 10-year issue for the Haliweek, bond prices shed as much as three of four points but then recovered slightly to end the week about for National Westminster Bank is

D-Mark market. A DM 200m 6% per batch of economic data to take adcent bond for the European Investweek bid at 97%, or 0.60 point lower

But three problems paled into insignificance compared with the nasty shock the Eurosterling market suffered on Thursday as the Bank of England increased its dealing rates and the UK clearing banks quickly followed this up with ing rates to 10 per cent.

Though in most cases during the subsequent market trauma, price falls in the Eurosterling matter lagged those in the gilt market, dealers said some of the larger, more actively traded issues suf-fered similar three point falls.

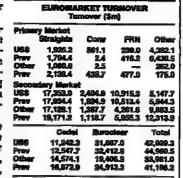
UK trade figures, as, if they are worse than expected, dealers fear they could set the stage for further interest rate rises.

The crisis has created some consecondary Eurosterling market. On fax Building Society was yielding 11 per cent while a five-year bond

2% points lower at the long end.

The strengthening dollar sent
prices nearly one point lower in the

strengthening dollar sent
the gauntlet of the next two weeks' rantage of these returns,



dian gold producer, at a shareholders' meeting in Toronto on Wednes-

Harley rises in quarter

BY JAMES BUCHAN IN NEW YORK

HARLEY-DAVIDSON, the revitacles, showed a steady improvement in earnings in the second quarter to June, advancing to \$5.4m or 88 The financing will expand GPA's debt by a multiple, so much so that many banks view the deal almost cents a share from \$3m or 67 cents

a share in the 1966 June quarter. Harley also booked an extraordinary credit of \$1.5m from its tax motorbikes rose some \$12.4m. ses for final net income of \$7m or \$1.13 a share.

tion against Japanese manufacturers, and its shares have risen by over 50 per cent in the past two

Revenues for the quarter more lised US maker of heavy motorcy- than doubled from \$84.7m to \$185.5m. Though the increase large ly reflected the sales contribution of Holiday Rambler, the maker of high-price motor homes which Harley acquired last December as a business diversification, sales from

Mr Richard Teerlink, chief finan-In the spring Harley said it no cial officer of Harley, said that re-longer needed special tariff protec-sults reflected the company's increasing share of the worldwide heavyweight motorbike market and continued strong results from Holi-day Rambler.

Why British banks steered clear of giant BTR financing cerned about how fine the margins with the rest of the market, where rowers were going to unusual ride in syndication, however, and

and most aggressively priced yet for a British company in the inter-national loans market.

Yet, despite the absence of the British banks, the deal has probably exceeded most expectations. By the end of last week, slightly over £330m had been committed in

tion of the underwriters will be less

Why then did the deal satisfy more than 20 banks from outside BTR's native land, and none within it? It appears that the British banks

of a giant financing for BTR, one of the UK's leading industrial conglomerates, in what is almost certain satisfactory for Bankers Trust,

Terms of the BTR deal did cause

glomerates, in what is almost certain to be seen as a boycott of the deal, writes Stephen Fidler in Loudon.

The £1bn (\$1.57bn) financing, which included £500m of committed funds from hanks, was the largest and most aggressively priced yet. C83.3m. The BTR deal is not an isolated

Die Erste österreichische Spar-Casse – Bank

First Austrian Bank (Established in Austria with limited liability in 1819)

Can\$ 50,000,000

9% per cent. Notes due August 5, 1992

CIBC Capital Markets Die Erste österreichische Spar-Casse - Bank

S.G. Warburg Securities

Terms of the BTR deal did cause gasps in some quarters when they were disclosed. The front-end fees were particularly stingy. Leading banks, for example, earned a mere £5,330 each for underwriting

case. Other deals for British compa-nies, such as a £300m financing for

The fact that British compan

margins if anything are expanding. One reason for this is the value that the banks place on cementing their relationship with companies.

Does this mean then that the UK

banks are willing to risk damage to their links with important compa-nies in defence of fatter fees and interest margins? The banks would probably not be so naive as to declare it, even if it were true, since such principles often melt away in the face of losing business.

Banque Bruxelles Lambert S.A.

Banque Nationale de Paris

Orion Royal Bank Limited

Bayerische Vereinsbank

Wood Gundy Inc.

lengths to make sure the British clearers did join their transactions. Syndication of a \$1,5bn aircraft financing for GPA Group, the Irish aircraft financing group, is set for

Articles in the specialist press suggested last week that the size of the deal would have to be cut, but Citicorp, which is syndicating the deal put together by Morgan Guar-anty, insists that it is fully under-written by 11 banks, that it is not

the face of losing business.

Nevertheless, there was unsubstantiated gossip in the market last week that the strategy may be bearweak that th

The feeling that the group is very focused on the fortunes of one sector of the airline industry is increased by the number of joint ven-tures which GPA has entered, with Midland Bank, McDonnell Douglas,

the problem appears to lie more in

the nature of the company than the

as an equity investment. "We like the company, but it's like betting

the shop on the aircraft operating

lease market," said one banker.

structure of the financing.

NOKIA

Nokia Corporation

5% Bonds Due 1992

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28th July, 1987

All of these securities have been sold. This announcement appears as a matter of record only.



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UK GILTS

Caught unawares by interest rate rise

THE MOST depressing aspect data are expected to show a of last week's UK decision to sharp jump in input prices, raise interest rates by one perpartly reflecting last July's centage point is that it was a sharp drop and partly the move taken when the pound recent strength of commodity was becalmed and relatively prices steady on the foreign On

There was no overall sense of crisis last week (except perhaps on the stock exchange which was beginning to react to the almost uninterrupted bull run in equities and its chaotic edging higher in anticipation of rates had seemed to simmer

Sterling had slipped gradually under the weight of intense Gulf-related dollar buying and a few inflation worries but had looked pretty well supported, given the massive falls in equity and gilt-edged prices. Gilts, and gilt-edged prices. Gilts, after their plunge in recent weeks, had begun to stabilise and some buyers were to be

found for the outstanding tap.
The authorities argued last week that the rise in interest rates merely reversed the two half-point cuts forced on them by sterling's strength in the run-up to the General Election. Patently, when markets pres-sure the Government for a base sure the Government for a base rate change, that change can then be reversed. So, one can assume that a base rate rise, when there is little market pressure, is more fundamental and less easily reversed.

The authorities made it clear

the rise was due to domestic monetary conditions and had also to be seen in the context of international developments. of international gevelopments. Certainly, concern about higher inflation was beginning to result in armer money market interest rates in Japan and West Germany. The difference remains that Britain's monetary tightening was more overt and more extreme.

more extreme.

The reason for this may well be, as the OECD pointed out at the weekend, that UK inflation is still substantially higher than that of its major trading partners, that its unit labour costs are rising faster than elsewhere and wage settlements

the mix of demand and at the margin may even worsen it," the mix of demand and at the margin may even worsen it," the mix of demand and at the margin may even worsen it," the mix of demand and at the margin may even worsen it," the mix of demand and at the margin may even worsen it," the mix of demand and at the margin may even worsen it," the mix of demand and at the margin may even worsen it," the margin may even worsen it," the suggests what is needed is a tightening of fiscal policy and the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving of any tax cuts planted for next March, so allowed the shelving prices in the domestic economy. It seems, from all the available forecasts, that none is going to be particularly encouraging Later today, producer prices

On Thursday, the Department of Employment will release its latest figures for average earnings which could conceivably show the underlying annual rate edging up to 8 per cent in

rate edging up to 8 per cent in June, reflecting upward pressure on wage settlements. Next week, Mo is forecast to rise by more than 1 per cent, giving a year on year growth rate of more than 5 per cent.

It seems logical to assume that last week's rise in interest rates was, in some sense, in anticipation of all these figures. In a sense, too, the authorities decision to act early rather than late should instil confidence into currently rather battered British markets.

The joker in the pack remains

The joker in the pack remains tomorrow's trade figures which are almost impossible to forecast. One has to guess, that, if the figures were going to be awful, the authorities would have waited to raise rates.

There is just one nasty thought. What if the authori-ties feel even higher rates are needed to counterbalance, for example, the rise in the oil price since May when it was forced into rate-cutting. The message of last week's move was that it represented a return to that it represented a return to the status quo of monetary policy. This then assumes there has been no worsening of infla-tionary trends since May, which is debatable. Nevertheless, we have the Chancellor of the Exchequer's word that he regards I per cent as quite sufficient.

There may be more funda-

sufficient.

There may be more fundamental concerns about the rate rise. James Capel worries that the upward move may discourage investment, needed to ensure industry does not come up against capacity constraints, but may have little impact on consumer credit. "As consumer credit is notorlously insensitive to changes in base rates, the to changes in base rates, the increase will do little to improve the mix of demand and at the margin may even worsen it," the

the shelving of any tax cuts planned for next March, so allowing a non-inflationary reversal of last Thursday's rise

Janet Bush

US MONEY AND CREDIT

Recovery despite oil prices alarm

weekend.

Long yields, which pushed through 9 per cent at the beginning of the week for the first time since May, did recover in slow trading as the tension relaxed in the Gulf: the Treasury 84 per cent 30-year bond was yielding 8.91 per cent at the close on Friday, unchanged on the week. But if last week did bring a pause to

new ceiling on government borrowing while it palavered over whether or not to "arm" the Budget Deficit Reduction Act with powers to ordain automatic government spending cuts. As expected, Congress failed to agree and instead

failed to agree and instead passed a temporary celling which will tide the Government over till September.

However, the week's delay has done nothing to fire the enthusiasm of domestic investors for what is likely to be over \$28bn in new notes and bonds. There are the usual worries about Japanese interest in new issues of US dollar paper: since May, rising yen rates have cut the yield advanpaper: since may, rising year rates have cut the yield advantage on dollar bonds by a full two percentage points. Rates have also risen in West Germany and the UK. Against this background, gloomy talk about inflation has found ready ears.

Conflict in the Gulf would obviously be a disaster for the bond markets, but leaving that possibility aside, the inflation scare looks overdone. The extreme case is that rising oil prices, as well as the tick-up in such back industrial ractorials. prices, as well as the tick-up in such basic industrial materials as steel, aluminium, copper and lumber, will combine with rising wage demands to produce inflation of anything up to 7 per cent next year. At those levels of inflation, long yields would presumably have to rise well into double figures.

Last Friday's figures on unamployment in July — the employment in July — the market's first statistical tasts of the third quarter — were all that the bears could have asked for. Non-farm payrolls rose by \$04,000 in July or about 50 per cent more than the

ANXIETY about inflation has market expected while the been continuing to niggle at US credit markets, which began the week in high alarm about the week in high alarm about oil prices and had still not 1979. Manufacturing jobs grew to be grained their poise by the weekend.

Long yields, which pushed through 9 per cent at the beginning of the week for the first time since May, did recover in slow trading as the tension.

Anxiety about inflation has market expected while the Lin the US Midwest, silos are continuing to burst with grain. The Lowest rate field starting to burst with grain.

Detroit has cut back sharply on anto production to clear in 0.3 per cent, as against 0.2 per cent, as ag

look tragile.

Above all; the dollar, which used to be the market's bugbear until wage pressures took Mr David Jones, a money market analyst at Aubrey Lan-ston, believes these figures show that the US is approach-ing full employment and "portend an acceleration of over, was so strong last week against European currencies that the Bundesbank intervened against it. By removing the currency risk which has so bedevilled foreign investment in US fixed-interest securities, dollar stability could help comwage-price pressures in the months shead. This is precisely months ahead. This is precisely
the pattern that can usually be
expected as abortages develop
— especially in the labour
market — in the advanced
stages of economic expansion.
Eventually this reality is likely
to force the Federal Reserve to
tighten its policy stance."

yiens or nearly hair a percent-age point over the past five weeks goes a long way to com-pensating investors for their reasonable fears.

reasonable rears.
Some analysts feel that yields might have to rise modestly to get the auction away but the market could still

away but the market could still see a late summer rally. Mem-bers of the Organisation of Petroleum Exporting Countrie; are evidently producing any-thing up to 2.5m barrels a day more than the market wants to consume now. The oil being stockpiled will act as a drag on oil prices once the Guif

US TREASURY YIELDS

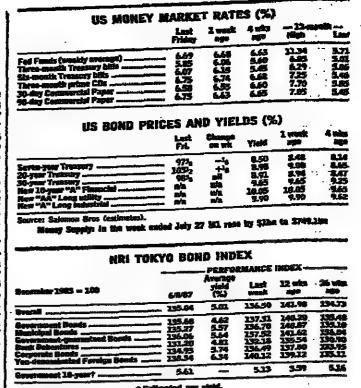
5 6 1 3 3 4 8 7 15

The following economic statistics will be released this week. With them are consensus Other market analysts such as Mr Philip Braverman of Irving Securities, are much less impressed by the labour market figures, which may be misleading for all sorts of technical reasons. And there is precious little evidence so far of infationary wage claims. This view holds that the rise in long yields of nearly half a percentage point over the past five forecasts as surveyed by Money Market Services of Redwood City, California.

the forecast is for a deficit of \$13bn, down from \$14.4bn in May. The 35 estimates surveyed ranged from \$12bn to \$15bn. • Industrial production for July (Friday, 8.15 am). Out out is expected to have risen 0.4 per cent as against 0.2 per cent in June. The range of 36 estimates stretched from no change to a rise of 0.7 per cent.

Retail sales in July (Thursday, 8.30 am). The concensus estimate is for an increase of 0.5 per cent, compared with 0.4 per cent in June. The 37 es i mates ranged from flat to an increase of 1 per cent.

James Buchan





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INTERNATIONAL CAPITAL MARKETS and COMPANIES

Two-tier share structures escape HK ban

BY KEVIN HAMLIN IN HONG KONG

THE HONG KONG authorities have backed away from any legal ban on companies creating defensive two-tier share structures but made clear at the weekend that these would be sanctioned only in "exceptional clicumstances."

The Hong Kong authorities and Hutchison Whampoz and Cheung Kong, two companies controlled by property tycoon of shareholders, and states that it would be unwise to draft in order to cement control of their empires.

The local investment committees and Hutchison Whampoz and Cheung Kong, two companies controlled by property tycoon of shareholders, and states that trading. The transaction is the first placement of permanent interests of shareholders, and states that twould be unwise to draft infexible legislation.

The Securities Commission Matheson in more than 10 years.

Jardine Strategic's stake in the parent consequently rises by Catibank's prior commitment to fund a large chunk of the money at a fixed interest rate.

April, following attempts by indiscriminate issue of shares Jardine Matheson, the terri- of this kind." But it argues tory's oldest trading house, that the existing Companies

BY WILLIAM DAWKINS IN BRUSSELS

one-for-10 issue of

circumstances."

A special government community expressed strong disapproval of such manoeuvres, as a deluge of copycat issues that the issue of so-called B shares—which have a lower nominal value than existing ordinary shares but carry equal voting rights—"could easily lead to a lessening of confidence in Hong Kong as a financial centre."

Hong Kong's stock exchange blocked the creation of new two-tier share structures in April, following attempts by

future approval of B shares. The report suggests that there should be prior approval by minority shareholders, and that there should be considered. there should be a specific ratio between B shares and other

Jardine Matheson has placed 30m new shares with Jardine Strategic Holdings, its sub-sidiary, in a move that raises HK\$594.6m (US\$76.2m) for unspecified expansion plans.

Goodman and

back to court

By Dai Hayward in Wellington

mobidiaries.

• Carter Holt Harvey, the New

Wattie go

HK\$19.82 each, a 5 per cent dis- language newspaper, has been each.

its parent consequently rises from 26.1 per cent to 29.7 per cent. Mr Simon Keswick, the chairman, said: "It allows Jardine Matheson to increase the central base and provides to fund a large count of the immediate money at a fixed interest rate. This will ensure that Oriental Press garners in excess of Massom in interest earnings. Pricing of the issue was the central base and provides

Pricing of the issue was defended by Chicorp, the under-writer, which said that when its capital base and provides funds for future expansion, while permitting Jardine while permitting Jardine
Strategic to increase its longterm strategic holding in
Jardine Matheson."

The HK\$254m (US\$32.6m)
public offer made by Oriental
Press Group, publisher of Hong
Kngg's host-salling Chinese The new shares are priced at Kong's best-selling Chinese- 18, has already reached HK\$2

Contrasting progress at two Singapore banks

GOODMAN FIELDER and GOODMAN FIELDER and Wattie Industries go back to a New Zealand court today seeking approval for their proposed merger—this time the Court of Appeal after the High Court, which has been considering an appeal by the two companies against a Commerce Commission veto on their merger, on Friday referred the proposal back to

referred the proposal back to the commission.

The companies, leaders in The companies, leaders in the Australasian foods industry, have had their merger plans challenged on monopoly grounds particularly in the flour and milling sectors.

A total of 17 companies originally joined the Commerce Commission in opposition to the merger, but their objections were substantially being met by agreement from Goodman

CONTRASTING rates of earnings progress for the first half to June have been reported by United Overseas Bank (UOB) and Oversea-Chinese Banking Corporation (OCBC), two of Singapore's big four commercial banks.

After producing almost identical group net profits in the first six month s of 1986 of \$\$1.30 after it set the price of the issue at a deeply discounted \$\$3 per share. The move will raise in the region of \$\$1.50m for the bank, which said this was needed to support said this year to \$\$85.12m, a rise of nearly two-thirds. OCBC could manage an increase of little more than a quarter, to a \$\$64.46m net result.

Each bank is maintaining a 5 per cent per share dividend. OCBC, despite is more muted performance, drew a favourable which began this May.

Higher deficit at Mitel

Carter Holt Harvey, the New Zealand forestry group, is to pay Us\$62m for a 46 per cent holding in Pesquera Iquique, a Chilean fishing company, agencies add.

This increases its involvements in Chile where Copec, its existing forestry and fishing unit, at the same time produced net profits of NZ\$114.2m (US\$65.5m) for the six months to June, up from NZ\$26.30m.

Mer Robert Holmes a Court's Bell Group has emerged as the ance of fiscal 1988.

Bell Group has emerged as the buyer of a 18.6 per cent stake in Pioneer Concrete Services the Australian building products and resources group. The holding was sold by FAI Insurances. lisation of tax losses incurred in feature requirements from custom

nication equipment group 51 per cent owned by British Telecom, has reported an increased first-quarter loss, but expects a stronger quar-terly sales performance in the bel-

The operating loss for the quarter of CS9.7m (USS7.5m) compared to a CS5.8m deficit a year ago. Results for the current quarter exclude an extraordinary gain of CS4m for utilization of the UK, due to additional leading of the current to the UK, due to additional teacher are uniquenestic from customs.

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opsawa Proscentical 91	198	1992		i	100	Yamaichi bot. (Eur)	3.05
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MEL 11	16ha	1992	á	(h)	189,48	Daiwa Europe	
ank of Chion I	15bm	1892	Š	5.2	99.78	Mikko Secs.	

"Met yet priced. † Final terms. ¶ With equity warrants. § Convertible. † Finaling rate note. Ø With gold warrants. ° Private plac.
(a) 50 basis point below Japanese long term prime rate. (a) 55 basis points below Japanese long term prime rate. (a) Linked to over 0 u T-Bill rate and Italian Sank issues plus 15kp. (d) With adjustable equity warrants. (a) Launched on U.S. domestic market. Note are calculated on ABO basis.

Highveld raises turnover

Rights issue from Belgian

SOCIETE GENERALE de Belgique, Belgium's most powerful industrial holding group and the subject of recent takeover speculation, will today announce a BFr 3bn (\$76.6m) rights a BFr 3bn (\$76.6m) rights issue.

The one-for-10 issue of 2,405,149 new shares is smaller than the company had earlier indicated. It is to be approved Nationale, the Belgian arms by an extaordinary shareholders' meeting on August 26 and will probably be launched on October 6, the group said yesterday.

October 6, the group said yesterday.

Societe Generale had confirmed last month that it was planning a capital increase, pointing out that it wanted to strengthen its balance sheet after the heavy investment demands made over the past year. But contrary to earlier expectations, this year's rights issue will be much smaller than the group's last capital increase in May 1986, when it called on

SocGen to total BFr3bn

HIGHVELD STREEL and Vanadium, the South African steel and gerro-alloys manufacturer, hopes that Highveld will bene-increased turnover slightly in the six months to June in spite profet greates demand for of the lack of any real increase in domestic steel consumption.

Profits dropped, however — on sales which rose to R387m cents and the interim dividend (SIBS-8m) from R877m interim pre-tax earnings were R36m against R42.1m.

Mr Leslie Boyd, the chairman, of 30 cents and a total dividend of 30 cents was paid.

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GIROZENTRALE UND BANK DER ÖSTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT

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21st April, 1987

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Chesterfield convertible breaking new ground

institutional pressire lose ont.

appears to have finally cracked the long-standing problem over the fate of convertible share-holders when a bid arrives for rate during the first five years after the creation of the new convertibles in the event of a ment, investment and dealing group. Chesterfield Properties, joined the list of companies currently raising cash—in this be convertible on a basis of

group. Chesterfield Properties, joined the list of companies curently raising cash—in this case via a placing of 30m convertible preference shares. Deep in the small print is an innovative clause which allows holders to convert on stepped terms if Chesterfield falls victim to a bid.

Normally, a successful bid is had news for anyone holding convertible shares in the target company. The standard procedure is for investors to be able to convert immediately on the original pre-set terms and them take up whatever bid options are available.

However, because of the extra income element which attaches to convertible shares, these usually trade at a premium to their conversion price. So by being forced into early conversion, investors of the carly conversion, investors of the conversion of the carly conversion, investors of the conversion of the carly conversion, investors of the carly conversion of the conversion of the conversion of the carly conversion of the car

The convertible market has The convertible market has seen something of an upsurge recently—partly thanks to a number of sizeable issues from highly acquisitive companies like Hanson Trust, Guinness, Ward White and so on—and is now worth well over £6hn. With one victory behind them, institutional shareholders seem.

designed to reflect the declining income advantage — and hence

convertibles as dividends on the

Last week, Chesterfield's advisers, S. G. Warburg, said it believed this to be the first such arrangement on an issue of convertible shares. Quite who should claim the credit was less than the cre

New team for S. W. Wood

Braemar.

These three are buying a 59.7
per cent stake in Wood from ferrous merchanting and promer of managing director, who having reached the age of 73 says he wants to retire from the empany. On the various deals going through, Mr Taylor will become chairman of Wood

Braemar Commodities, an international metal trading group, is to be injected into S. W. Wood, the non-ferrous metal merchant and processor, as part of a complex deal which will change the controlling interest in Wood, its boardroom composition and make-up of businesses.

Braemar is owned by Mr Peter Rae, Mr P. S. Brown and Abacus, a company associated with the family interests of Mr Jeremy Taylor, the chairman of Braemar.

These three are buying a 59.7

and Mr Rae will become man ownership of such a large hlock also join the board.

Braemar is to be bought by Wood for an initial £2m—£1.2m and Taylor are required under the Takeover Code to make a seneral offer for the company at the same price—80p a share—they are buying the Wood in the board.

Braemar is to be bought by Wood for an initial £2m—£1.2m and Taylor are required under the takeover Code to make a seneral offer for the company at the same price—80p a share—they are buying the Wood holding. However, this is only a technical move, since they want to retain the company's listing and other shareholders are unlikely to accept, as Wood's provides in the year to March to sell its loss-making non-

results for the year to March
31. These show losses before
tax and exceptional items of
£282,000 (1986 loss £179,000)
on turnover of £13.1m (£14.0m).
Exceptional gains totalled
£464,000 (£113,000). Earnings per share were 1.8p (1.1p) and there is no dividend.

FT Share Information service

SPONSORED SECURITIES

Granville & Company Limited 8 Lovet Lene, London EC3R 58P Telephone 01-521 1212 Member of FIMERA

Laucaster (Motors, Garages)

7,611 61,636

28,593 12,096

796 5,580 5,710 1,904

tricals)
Prizzadona (Investment Trusts)
Sonara Gold (Canadians)

The following securities have been added to the Share Information Service.

ABM Gold (Section: Canadians) Caradon (Buildings)

Hariand Simon (Electricals)

Hariand Simon (Electricals)

Hariand Simon (Electricals)

Hariand Simon (Electricals)

Sonara Gold (Canadians)

Thoreo Resources (Mines, Misc)

Thoraton Pacific Inv SA (Ord and Warrants) (Investment Trusts)

UFL Group (Third Market)

Welsh Indi Inv Trust (Investment Trusts)

Ratners bids

Rainers Group's bid for Ere Sames the jeweller, has received acceptances covering 30.74 per cent of the capital and been declared unconditional in all re-

Its tender offer for Sterling, the US group, received tenders covering 99.79 per cent of the shares in issue.

BOARD MEETINGS

The following compenies have actified dates of board meetings to the Stock Exchange. Such meetings are sessibly held for the purpose of considering dividencie. Citicals indications are not available as to whether the dividence are interine or finels and the subdivisions shown below are based.

FUTURE DATES

NOTICE The Holding of CSWI International Finance N.V. t case on the above Debautares at 1987 was not paid by CSWI Inter-Finance N.V. (the Company). The has new deposited such payment undersigned as Trusten under the c dailed as of May 15, 1981 under ch Debeuturan were issued. Holders

Defeat: August 10, 1997

All facilities (including regulated consumer credit agreements) with a rate of interest linked to NatWest Base Rate will be varied accordingly.

NatWest announces that

with effect from Friday, 7th August, 1987,

its Base Rate

is increased from 9.00% to 10.00% per annum.

National

Westminster

Bank PLC

41 Lothbury London EC2P 2BP

Granvilla Davies Coleman Limited 27 Lovar Lane, London ECSR SDT Telephone 01-621 1212 Member of the Stock Exchange

FINANCIAL TIMES STOCK INDICES										
	August 7	August 6	August 5	Aspest 4	Angest.	345 31	19 High	B7 Low	Since Co High	Low
Government Secs	85.94	86.42	87.70	87.44	87.32	87.66	93.32	84.49	127.4	49.18
Flored Interest	96.26	96.49	96.24	96.38	96.34	96.36	99.12	90.25	150A	50.53
Ordinary	1726.9	1754.1	1796.6	1788.6	1815.1	1852.5	1926.2	1320.2	1926.2	49.4
Gold Mines	462.4								734.7	43.5
FT-Act All Share	1129.44	1149.91	1176.13	1173.23	1188,43	1202.19	1238.57	635.48	1238,57	61.92
FT-SE 100	222h.2	2261.4	2317.4	2907.8	2334.9	2860 0	2842 4	7470 E	2442.4	

No credible alternative claim from Trafalgar

Trafalgar House, the shipping, property and construction group, chained at the weekend that the sumagoment cammittee of the Pension Fund Property Unit Trust had not yet formulated a "credible alternative" to its hid for the trust.

The charge came in a circular to unit holders who will decide at an entraordinary meeting this Thursday whether to accept Trafalgars whether to accept Trafalgar sincreased and final effer or the committee of management's alternative scheme of incorporation and listing of the trust.

The Trafalgar hid needs a 75 per cent majority for secreptance, while the management's proposale beed a 60 per cent majority.

Trafalgar said in the letter that it had now canvassed the views of the holders of a majority of units "and their response to our after has been encouraging." The proposals for incorporation per forward by the management committee had not been developed and effected no premium to certificate helders, it added. should claim the credit was less clear; there has undoubtedly been institutional pressure to ensure that holders of type of shares should not be disadvantaged in hid situations. Warburgs, however, maintains that inserting the new bid clause allowed it to achieve their terms.

New London expands in oil services sector

New London Oil is expand-ing its involvement in the oil services sector with the \$9.78m acquisition of a majority interest in KenCone

majority interest in KenCone
Energy Companies, which is
listed on NASDAQ.

KenCope engages in oil and
gas exploration, production
and development and in completion and workover well
services and oil field tool
rentals, principally in Texas
and Louisiana.

The deal, for which a letter
of intest has been signed, involves a \$2.5m cash injection
igno KenCope by way of 18-

volves a \$2.5m cash injection into KenCopa by way of 18-year debeniumes at 5 per cent, convertible to \$62,000 shares of KenCopa at \$3.25 per chairs of KenCopa, will resign and sell his 1.7m shares in the sent of New London at \$3.25.

David Waller discusses the rapid expansion of Norfolk Capital

A further step up market

STOCKBROKERS admit to being saystified when they confront the Norfolk Capital Group, the hotelier which has this month launched a one-for-three \$44m rights issue to buy the \$t James's Calubs from Mr. Peter de Savary.

"A perennial special situa-tion," said one analyst. "Im-possible to value it on funda-mentals," confessed another. Sir Marwell Joseph the late

Sir Marwell Joseph the late and legendary founder of Grand Metropolitan, would be equally bemused were he to see Norfolk today. Norfolk was one of his five quoted stockmarket vehicles and had a market capitalisation of just \$2.5m when his son-in-law, Mr Peter Ryles, was appointed managing director in 1982. Fullowing the rights beare the company's market value will be nearer £200m. It has been able to grow so fast because it has turned takenver speculation to its own advantage.

Swallen by bid rumours. Nor-

Swallen by bid runours, Non-folk's share rating has become truly astronomical: if the com-pany makes profits of \$4.7m in the current year, the shares at 42p and a prospective mul-tiple of \$5, based on eps of 1.2p. This falls no further than 28 if it makes \$7.6m next year (eps 1.50).

an improvement in its energing an improvement in its margins of a third — but only to 124

of a third — but only to 124 per cent,
Bulls says that this merely indicates how much scope there is for improvement. Certainly, the recently refurbished Norfolk Hotel in South Kensington, and the Royal Court in Sloane Square, will take some years to come to full profits potential. And Mr Eyles believes that better staff-training, decentralised management and decentralised management and more effective marketing will help acquisitions perform better under the Norfolk bau-

ner.

Rather than just waiting for a bid to a aterialise. Norfolk has taken the opportunity to enhance its earnings by exploiting its heady rating. It has itself some out on the acquisition trail.

PENDING DIVIDENDS

Dates when some of the more insportant company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's amountements except where the forthcoming board meetings (indicated thus ") have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Aunouncement last year."

The Royal Bank of Scotland Group pic

£200,000,000

Floating Rate Notes 2005

Notes, notice is hereby given that for the Interest Period from 6th August, 1987 to 6th November, 1987, the Notes will bear a Rate of Interest of 976% per annum. The amount of interest payable on 6th November, 1987 will be £118.15 per £5,000 Note, and £1,181.51 per £50,000 Note.

Apere Busk

CHARTERHOUSE BANK LIMITED

U.S. \$300,000,000

Republic of Indonesia

Floating Rate Notes due February 2001

in accordance with the provisions of the Notes, notice is hereby given that for the interest Period from August 10, 1987 to Pebruary 10, 1988 the Notes will carry an interest rate of 7½% per armum. The interest psyable on the relevant interest psyment date, February 10, 1988 will be U.S. \$6,583.33 and U.S. \$383.83 respectively for Notes in denominations of U.S. \$250,000 and U.S. \$10,000.

By: The Chase Mankattas Bank, N.A. London, Agent Benk

August 10, 1987

In accordance with the Terms and Conditions of the



Mr Peter Ryles, chairman of Norfolk Capital

sanuary, it issued a further time shares to finance the film purchase of four country-house botels. In May, a further 15m shares were issued when Norfolk bought the Royal Crescent Hotel in Bath, for \$7.5m.

In total, Norfolk's equity has grown from 19m to 410m shares since Mr Eyles joined the company. By making acquisitions for shares, and by indicious shuffling of its hotel portfolio, Norfolk has been transformed. No longer does it serve primarily the cyclical mast-leisure market. Most of its clients are businessmen and prosperous individuals.

The 4,000 members of the London St James Club clearly occupy the same comfortable niche. Although the club is not quite as exclusive as its near-neighbour White's—envone can join, said Mr de Savary when he sold it, so long as they are

from £130 to £700 a night, Not for the stray American tourist, such as may be deterred by mere Libyan bombing or a Chernobyl. Norfolk's relative involuerability to such factors helped profits grow by 40 per cent last year.

Norfolk's aggressive expansion bears all the hall-marks of Morgan Grenfell, the company's merchant bank, in this case, the relationship between bank and client is closer than usual due to the fact that Mr Anthony Richmond-Watson, a Morgan Grenfell director, has been Norfolk's chairman since May last year. last year.

It is undeniable that Nor-felk's most rapid period of growth coincides with Mr Richmond-Watson's presence on the board. But Mr Eyles rejects the suggestion that Mr Richmond-Watson (advisor to Guinness during its bid for Bella) used his influence with Mr Ernest Saunders, then the drinks glants' chief executive, to secure the Caledonian and North British Hotels for Norfolk last September.

"There was an auction by

Analysis assume that Scottish

& Newcastle Brewerles was peeved at not acquiring the two peeved at not acquiring the two hotels, which would have made ideal flagships for a hotel division. SaN went on to acquire a 4.9 per cent stake in Norfolk which led to a 15-minute meeting between the two parties in January, during which Norfolk stated its desire to remain independent.

Speculation that S&N would make a bid was only killed off last month when the brewer sold last month when the brewer sold its outire stake. "Fundamentally overvalued." Mr Allek Rankin, S&N's chief executive, said at the time. When Norfolk amounced interim profess up 220 per cent a formight ago, Mr Eyles begged to differ. "I believe," he said, that SAN sold their shares for a lot less than they're trading now."

Where the stake went has not been disclosed. Nor is it known precisely what happened to the Kuwaiti Investment Office's 14 per cent stake, placed at 39p e share in mid-July. Market cognoscenti suggests that neither holding ended up in the hands of yet another predator, rather that the shares were dis-

tions.

If the prospect of a bid is now more remote than it has been for some time, can the shares' high rating be sustained untrading grounds aloue? This question must be vexing those shareholders wondering whether to take up their rights at 45p a share, which, given last week's market slump, is 5p above Friday's closing price and a significant premium to the company's estimated asset value of 35p per share subsequent to the 8t James's acquisition.

Patient investors will wait to

Patient investors will wait to see how the other half of the money raised in the rights issue is deployed. Those of a more speculative bent will want to know what happens to the shares that Sir Maxwell's widow, Lady Joseph, sells in order to take up some of her entitlement to rights on her 27 Am shares.

APPOINTMENTS:

Sun Alliance life division change

SUN ALLIANCE has strengthsmed he head office management
to meroponsible for its branch
network in the intermediary manbet in which it writes over 30
per cent of new business. The life
division of Sun Alliance has a
well established specialist life
by a n c h network which was
formed in the early 1970s. There
are now 14 main branches and
27 local branches. In all a total
of 900 staff are employed, inclinding 350 broker consultants.
As from July I there are four
life agency managers, each of
whom will have responsibility for
a group of life branches. The
appointments with their respontive branches are shown below:
Bir B. P. Garhama, City, West End,
Wattrants to procure the
Stubscription of Ordinary Shares of

Wattrants to procure the

Stubscription of Ordinary Shares of

Pilkington of Ordinary Shares of

Pilkington of Ordinary Shares of

Wattrants to procure the

Stubscription of Ordinary Shares of

Pilkington of Ordinary Shares of

Mr Tous Aikin has been appointed sales director at PHILIPS COMMUNICATIONS & SECURITY,

Er Simon Brower has been appointed to the board of JARRETTS. His particular function will be to develop the private client portfolio aids.

Fr Martin English has been appointed a director of WS ATKINS & PARTNERS and has taken over as regional director in the north-west, at Warrington, He was commercial manager,

WILLIAMS HOLDINGS has appointed Mr John Newers as operations director and general manager of Polycell Products. He is being prompted from another Williams Holdings subsidiary—The Rawiplug Company, where he has been group sales and marketing director since 1981.

At COMMERCIAL UNION ASSURANCE the overseas divi-sion will be replaced by Com-mercial Union Overseas, with responsibility for all territories within Africa, Australasia, Carib-bean, Far Rast, Middle East,

SABRE V Limited U.S.\$185,000,000

Fireting Rate Secured Notes due 1992. For the 6 months period 7th August, 1987 to 8h February, 1988 the Notes will bear the rate of interest at 7.51563% per amum. USS3,862.20 will be payable from 8th

February, 1988 per US\$100,000 principal

PAN-HOLDING Societe Assayme Luxembourg

After payment on July 1, 1907, of a dividend of US\$6.25 per Arter payment on Jusy 1. 1707, of 2 dividend of US\$6.25 per share, in respect of the year 1986 (Coupon No. 52), the unconsolidated net asset value as of July 31. 1987 amounted to US\$452.14 per share of US\$50 per value. The consolidated net usest value per share amounted as of July 31, 1967 to US\$479.79.

Pilkington plc (the "Warrants")

each in the capital of the Company into 2 ordinary shares of 50p each capital of the Company on the basis of 1 new ordinary share of 50p for pursuant to a resolution passed at an every £1 nominal amount of extraordinary general meeting of the sary shares held on 24th July, 1987, the Subscription Price pursuase to the Warrants was required to be adjusted in accordance with the Conditions of

The Subscription Price before the adjustment was 419p. The Subscription Price after the adjustment was 279p. The adjust-ment became effective on 25th July, 1987.

extraordinary general meeting of the Company held on 29th July, 1987, the Subscription Price pursuant to the Warrants was required to be adjusted in accordance with the Conditions of the Wattents. The Subscription Price before the adjustment was 279p. The Subscription Price after the

each of the ordinary shares of £1

adjustment is 139p. The adjustment became effective after the passing of the resolution on 29th

PILKINGTON The world's leading glass company

Grindlays Bank p.l.c. **Interest Rates**

Grindlays Bank p.l.c. announces that its base rate for lending will change from 9% to 10% with effect from 7th August 1987

Grindlays Bank p.l.c. A member of the ANN Group of Compa

Head Office: Grindleys Bank plc, House, Montague Close, London SEI 9DH.

Oesterreichische Kontrollbank Aktiengesellschaft

Japanese Yen 25,000,000,000

41/4% Guaranteed Bonds due 1992

guaranteed by

The Republic of Austria

Issue Price 101% per cent.

LTCB International Limited

Nomura International Limited

Bank of Tokyo International Limited

Bank Brussel Lambert N.V. **Bankers Trust International Limited Credit Suisse First Boston Limited** Daiwa Europe Limited Dresdner Bank Aktiengesellschaft **IBJ International Limited** Mitsui Trust International Limited **Morgan Stanley International**

Banque Paribas Capital Markets Limited Dai-ichi Europe Limited **Deutsche Bank Capital Markets Limited** Goldman Sachs International Corp. Mitsubishi Finance International Limited **Morgan Guaranty Ltd** The Nikko Securities Co., (Europe) Ltd. Salomon Brothers International Limited S. G. Warburg Securities

Yamaichi International (Europe) Limited

Creditanstalt-Bankverein

Orion Royal Bank Limited

Génossenschaftliche Zentralbank A.G.

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Swiss Bank Corporation International Limited

Österreichische Länderbank Aktiengesellschaft

These Notes having been sold, ncement appears as a matter of record only

May, 1987

Morgan Guaranty Trust Company of New York

¥25,000,000,000

43/8% Deposit Notes due 1992

Issue Price 101.625 per cent.

LTCB International Limited

Morgan Guaranty Ltd

Nomura International Limited

Banque Bruxelles Lambert S.A.

Commerzbank Aktiengesellschaft

Dai-ichi Europe Ltd.

Salomon Brothers International Limited

Sumitomo Trust International Limited

Union Bank of Switzerland (Securities) Limited

Bank of Tokyo International Limited Baring Brothers & Co., Limited Crédit Lyonnais Daiwa Europe Limited **Dresdner Bank Aktiengesellschaft** Fuji International Finance Limited **IBJ International Limited** Mitsubishi Finance International Limited Mitsui Trust International Limited

DKB International Limited EBC Amro Bank Limited Goldman Sachs International Corp. **Merrill Lynch Capital Markets** Mitsubishi Trust International Limited **Morgan Stanley International New Japan Securities Europe Limited** The Nikko Securities Co., (Europe) Ltd. Nippon Credit International Limited Orion Royal Bank Limited Sanwa International Limited **Shearson Lehman Brothers International Swiss Bank Corporation International Limited Tokai International Limited** Toyo Trust International Limited S.G. Warburg Securities Yamaichi International (Europe) Limited Yasuda Trust Europe Limited

The state of the s



DAEWOO CORPORATION

(Incorporated in The Rapublic of Korea with limited liability)

U.S.\$175,000,000

Floating Rate Notes Due 1995 (Redeemable at the option of Noteholders in 1993) Issue Price 100 per cent.

.LTCB International Limited

DG BANK Deutsche Genossenschaftsbank

KEB (Asia) Finance Limited

Taiyo Kobe Finance Hong Kong Limited

Yamaichi International (Nederland) N.V.

Chemical Bank International Group

Goldman Sachs International Corp.

Malayan Banking Berhad

,∤.•

Morgan Stanley International

The Nikko Securities Co. (Asia) Limited

Nippon Kangyo Kakumaru (Europe) Limited

Prudential-Bache Capital Funding

Salomon Brothers International Limited

Shearson Lehman Brothers International

Yokohama Asia Limited

July, 1987



The Long-Term Credit Bank of Japan, Limited

(Kabushiki Kaisha Nippon Choki Shinyo Ginko) (A Japanese Corporation)

U.S.\$200,000,000 13/4% Convertible Bonds Due 2002

Issue Price 100 per cent.

LTCB International Limited

Bankers Trust International Limited Dai-ichi Europe Limited **Morgan Guaranty Ltd**

Orion Royal Bank Limited

Shearson Lehman Brothers International

Westdeutsche Landesbank Girozentrale

Union Bank of Switzerland (Securities) Limited

Credit Suisse First Boston Limited Daiwa Europe Limited Nomura International Limited **Salomon Brothers International Limited**

Banque Paribas Capital Markets Limited

Bank Brussel Lambert N.V. **Baring Brothers & Co., Limited** Commerzbank Aktiengesellschaft **County NatWest Limited** Crédit Commercial de France **Deutsche Bank Capital Markets Limited** Kredietbank International Group Merrill Lynch Capital Markets The Nikko Securities Co., (Europe) Ltd.

Chemical Bank International Group Cosmo Securities (Europe) Limited Crédit Agricole **Crédit Lyonnais** Goldman Sachs International Corp. Manufacturers Hanover Limited **Morgan Stanley International** Nippon Kangyo Kakumaru (Europe) Limited Samuel Montagu & Co. Limited Swiss Bank Corporation International Limited S. G. Warburg Securities Yamaichi International (Europe) Limited

Banque Internationale à Luxembourg S.A. BankAmerica Capital Markets Group DG BANK Deutsche Genossenschaftsbank Citicorp Investment Bank Limited **Chase Investment Bank** Robert Fleming & Co. Limited Hill Samuel & Co. Limited Girozentrale und Bank der österreichischen Sparkassen KOKUSAI Europe Limited Ichiyoshi International (H.K.) Limited LTCB Asia Limited National Securities of Japan (Europe) Limited Marusan Europe Limited **Postipankki** New Japan Securities Europe Limited Nippon European Bank S.A. Sanyo International Limited Société Générale Taiheiyo Europe Limited **Towa International Limited** Tokyo Securities Co. (Europe) Limited **Toronto Dominion International Limited** Universal (U.K.) Limited Toyo Securities Europe Ltd. Union Beak of Finland Ltd Wood Gundy Lec. Yamatane Securities (Europe) Limited Westpac Banking Corporation

WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

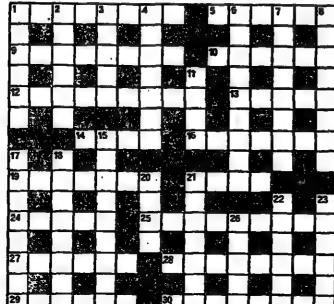
NATIONAL AND REGIONAL MARKETS		FRIBAY AUGUST 7 1987				THURSDAY AUGUST 6 1987			04	DULLAR INDEX		
Figures in parentheses	US	Day's	Pound	Local	Gross	US	Pound	Local	-		Year	
show number of stocks	Dollar	Change	Sterling	Currency	Div.	Dollar	Sterling	Currency	1987	1987	ago	
ber alomina	Index	%	Index	Index	Yield	Index	Index	Index	High	Low	(approx	
Australia (94)		-0.2	145.51	146.22	2.46	154.20	145,02	146.51	154.41	99.92	73.26	
Austria (1,6)) 95.31	-0.8	90.15	93.27	2.22	96.13	90.40	93.82	101.62	85.53	89.56	
Belgium (48)	126.40	+0.0	119,55	122.82	3.91	126.39	118.86	122.34	133.44	96.19	86.77	
Canada (132)	139,05	-0.3	131.52	133.51	212	139.41	131.11	133.61	139.85	100.00	97.83	
Denmark (39)	112.51	-0.6	106.41	110.17	2.53	113.42	106.66	110.25	124.10	98.1B	96.16	
France (121) West Germany (92)	104.78	-0.8	99,10	103.63	2.74	105.64	99.35	103.99	121.82	98.39	91.62	
West Germany (92)	101.32	+0.0	95.83	99.53	1.90	101.28	95.25	99.15	101.32	84.00	88.55	
Hong Kong (45)	.j 141.60	+0.8	133.93	142.00	2.57	140.42	132.06	140.79	141.60	96.89	77.00	
Ireland (14)	131.88	-22	124.74	131.28	3.44	134.92	126.88	133.55	145.41	99.50	89.61	
Italy (76)	90,30	-1.8	85.41	92.39	1.98	91_94	86.46	93.69	11211	90.30	95.80	
Italy (76)	135.35	+0.5	128.02	129.62	0.52	134.67	126.65	128.84	161.28	100.00	92.03	
Malaysia (36)		+1.4	182.12	188.60	1.98	189.84	178.53	186.00	192.55	98.24	80.71	
Mexico (14)	291.07	-1.1	275,30	460.65	0.65	294.37	276.83	461.69	309.34	99.72	64.52	
Netherland (38)	127.44	-0.3	120.53	123.74	3.58	127.81	120,20	123.64	128.35	99.65	94.56	
New Zealand (26)	ענינע ו	+0.9	107,25	104.87	2.82	112.33	105.64	104,15	113.39	83.93	71.06	
Norway (24) Singapore (27) South Africa (61)	164.25	+1.0	155.35	153.66	1.78	162.57	152.89	151.54	164.25	100.00	93.85	
Singapore (27)	171.08	+15	161.81	166.59	1.49	168.62	158.57	164,15	171.08	99.29	80_77	
South Africa (61)	184.88	-20	174.87	135.88	3.07	188.60	177.36	137.44	198.09	100.00	72.11	
Spain (43)	139.22	+0.7	131.68	135.37	2.93	138.23	130.00	133.78	144.48	100.00	89.37	
Sweden (33)	120.97	-0.8	114.42	117.97	1.97	122.00	114.74	118.48	124.68	90.85	95,43	
Switzerland (53)) 104.38	-0.1	98.73	101.73	1.64	104.44	98.22	202.27	104.92	92.01	85.14	
United Kingdom (335)		-23	134.65	134.65	3.27	145.74	137.05	137.05	162.87	99.65	90.90	
USA (590)	131.79	+0.4	124,65	131.79	2.77	131.32	123.50	131.32	131.79	100.00	98.90	
Europe (932)	12050	-1.3	113.97	116.61	2.81	122.07	114.80	117.55	128.35	99.78	90.79	
Pacific Basin (686)	. 136.25	+0.5	128.86	130.59	83.0	135.58	127.51	129.83	158.77	100.00	90.77	
Euro-Pacific (1618)	130.00	-0.2	122.96	125.02	1.47	130.23	122.48	124.94	143.65	100.00	90.78	
North America (722)	132.18	+0.3	125.02	131.91	2.74	131.75	123.90	131,47	132.18	100.00	98.85	
Europe Ex. UK (597)	106.94	-0.4	101.15	105.49	243	107.39	100.99	105.48	108.64	98.02	90.76	
Pacific Ex. Japan (228)	147.28	+0.3	139.30	142.33	2.45	146.78	138.04	141.83	147.28	99.92	75.07	
World Ex. US (1825)	131.02	-0.2	123.92	125.69	1.52	131.29	123.A7	125.64	143.38	100.00	90.81	
World Ex. UK (2080)	130.20	+0.3	123.15	127.48	1.87	129.85	122 11	127.00	133.61	100.00	94.27	
World Ex. Sa. At. (2354)	130.93	+0.0	123.84	128.03	2.00	130.89	123.09	127,81	135.02	100.00	94.10	
World Ex. Japan (1957)	129.36	-0.2	122.35	127.37	2.75	129.65	121.93	127.44	130.00	100.00	94.8	
The World Index (2415)	131.27	+0.0	124.16	128 13	200	131.26	123.44	127.92	13515	100.00	02.04	

EUROPEAN O	PTIONS	EXCHA	NGE

			87	_	w 87	Feb BS		
Series		Vol.	Last	Vol.	Last	Vol.	Last	Stock
COLD C	5460 5460	4b 106	8.50 3.50Å	17 214	30 18	211	38.50	\$464.30
GOLD C	\$500 \$520	39	1,40	591	iš			-
GOLD C	\$520	3	1.40 0.50	188	3.404	2	16.50	<i>"</i>
GOLD P	\$420	40		퍨	3,404	=	=	gs.
GOLD P	\$460	44 44	6.20	3	34	-		μ
Amq	87			Ben 87		_		Oct 8
S/FL C S/FL C	FL205 FL210 FL215	3 (2.80	23	7.50 4.20 1.80	l — I	_	FL212.60
SVFT. C	1215	易	D ADE - I	9	1.80	14	2.70	
S/FL P	FIZE I	10	0.4	₩		40	3-10A	
SFL P SFL P SFL P	F1210 F1215	20 1	0.80	27 50	4.30	14 40 20 20 20	5.70A	-
		Dec	87		r \$6		m 88	
SYFL C SYFL C	FJ.200	90 55 55 162	12.60	19	12.708	10	13.20	FL212.60
SFI. C	F1.205 F1.210	꾩ㅣ	8.50 5.90	7	9.30g	75	7 50	
SFI, C	m 205 i	10e	28	28	a já	18	7.50 3.70 4.20	98
Syfi, C Syfi, C Syfi, P	7,220	끏ㅣ	220	- 1	_	3 }	4.20	ar er
SVFL P	FI 200 FI 205 FI 210	N SUR	3.10	=	=	=	=	#
\$/FI, P	Ft.210	29	4.90A	37 I	7.50	- 1	_	#
		0	cs. 87	1	r. 86	Ap	r. 68	
ABN C	71,520	_	10.30	1				FLSOR
ABN P	FI.536 FI.486 FI.100	317 327 450	10.30 9.10 3.70	1	20 17 5.70	مُّر	21.50	F98.90
ABN P AEGON C AHOLD P	F1_100	317 327 450	10.30 9.10 3.70	20 2 15 4		10		. ~
ABN P AEGON C AHOLD P AHOLD C	F1.100 F1.100 F1.109.10	317 327 450	10.30 9.10 3.70 3.508 4.70	20 2 15 4	20 17 5.70 5.30	10	21.50	F98.90 F1.308
ABN P AEGON C AHOLD P AHOLD C AKZO C AMEV C	FL100 F1.109 FL109.10	317 327 450	10.30 9.10 3.70	20 2 15 4	20 17 5.70 5.30	79 128		F98.90
ABN P AEGON C AHOLD P AHOLD C AKZO C AMEV C AMEV P	PL100 F1.100 FL109.10 FL170 F1.70 F1.70 F1.70	587 59 450 66 10 1130 528	10.30 9.10 3.70 3.908 4.70 10.30 1.70A 4	20 2 15 4	20 17 5.70 5.30 	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	21.80 	F98.90 F1,108 F1,174.30 F1,69.30
ABN P AEGON C AHOLD P AHOLD C AKZO C AMEY C AMEY P AMEO C AMEO P	PL100 F1.100 FL109.10 FL170 F1.70 F1.70 F1.70	587 59 450 66 10 1130 528	10.30 9.10 3.70 3.908 4.70 10.30 1.70A 4	20 15 4 226 25 15 94	20 17 5.70 5.30 	79 1 12 ⁸ 19	21.50 18.50 4.30A	F96.90 F1.106 F1.174.30 F1.69.30 F1.69.30
ABR P AEGON C AHOLD P AHOLD C ACCO C AMEY C AMEY P AMEG C AMEG P ELSEVIER C	P1.100 F1.109.10 F1.10 F1.17 F1.77 F1.80 F1.80 F1.80 F1.80	587 59 450 66 10 1130 528 46 708 103	10.30 9.10 3.70 3.908 4.70 10.30 1.70A 4	20 15 4 226 25 15 94	20 17 5.70 5.30 	19 1 19 19 17	21.60 18.50 430A 11	F98.90 F1.308 F1.174.30 F1.69.30 F1.69.40
ABR P AEGON C AHOLD P AHOLD C AMEV C AMEV C AMEV C AMEV C AMEV C C AMEV C C C C C C C C C C C C C C C C C C C	1100 F1.100 F1.107 F1.177 F1.77 F1.80 F1.8	587 579 450 66 100 1130 528 708 103 1272 1068	10.30 9.10 3.70 3.908 4.70 10.30 1.70A 6.50 1.80 3.90 3.10	20 15 4 226 25 15 94	20 17 5.70 5.30 	19 12 19 17 17 17 17 17 17 17	21.60 	F98.90 F1,108 F1,174.30 F1,69.30 F1,64 F1,53.50
ABR P AEGON C AEGON C AHOLD P AHOLD C AMEV C AMEV C AMEV C AMEV C AMEO P ELSEVIER C GIST-BROC C GIST-BROC C HEINEKEN P	1100 F1.100 F1.107 F1.177 F1.77 F1.80 F1.8	587 579 450 66 100 1130 528 708 103 1272 1068	10.30 9.10 3.70 3.908 4.70 10.30 1.70A 6.50 1.80 3.90 3.10	20 15 4 226 25 15 94	20 17 5.70 5.30 	19 128 19 17 17 17 17 17 17 17	21.50 18.50 4.30A 11.750	F98.90 F1.308 F1.174.30 F1.69.30 F1.69.40
ABR P AEGON C AMOLD P AHOLD C AMEV C AMEV C AMEV C AMERO P ELSEVIER C GIST-BROC C HEINEKEN P HEINEKEN P HOOGGVENS C	FL100 FL109.10 FL107.70 FL107 FL107 FL30 FL30 FL107 FL	587 579 450 64 100 1130 528 46 708 1272 1048 1211 147	10.30 9.10 3.70 3.508 4.70 10.30 1.70A 6.80 1.70A 3.10 3.10 1.70 1.70 2.30 2.50	20 15 4 226 25 15 94	20 17 5.70 5.30 	19 12 19 17 17 17 17 17 17 17	21.60 	F98.90 F1,108 F1,174.30 F1,69.30 F1,64 F1,53.50
ABR P AFEON C AHOLD P AHOLD C AHOLD C AMEV C AMEV C AMEV P AMRQ C GIST-BROC C GIST-BROC C GIST-BROC P HEINEKEN P HOOGOVENS P	PLION PLION IN PLION IN PLION	587 579 450 64 100 1130 528 46 708 1272 1048 1211 147	10.30 9.10 3.70 3.508 4.70 10.30 1.70A 6.50 1.50 1.50 1.50 1.70 1.230 2.50 2.50	20 15 4 226 25 15 94	20 17 5.70 5.30 	19 128 10 17 17 17 17 17 17 17	21.60 18.50 4.50A 11 7.50 3.50 3.50 19 9.30	F96.90 F1,106 F1,174.30 F1,67.30 F1,64 F1,53.50 F1,57 F1,41.81
ABRO P AEGON C AHOLD P AHOLD C AKZO C AMEY P AMEY P AMEY C AMEY C GIST-BROC, P HEINEKEN P HOOGOVENS C HOOGOVENS P KLM C KLM P	PL100 PL109.10 PL109.10 PL107 PL107 PL108	587 599 450 66 100 1130 528 708 103 127 1068 121 147 430 430	10.30 9.10 3.70 1.508 4.70 1.508 1.70A 4 6.50 1.80 1.80 1.70 1.230 1.70 1.230 1.70 1.230 1.70 1.230	20 15 4 226 25 15 94	20 17 5.70 5.30 	19 128 10 17 17 17 17 17 17 17	21.80 	F96.90 F1308 F137436 F169.30 F169.40 F153.50 F133.50 F133.70 F149.80
ABR P AEGOW C AHOLD P AHOLD C ARZO C ARZO C AMEY P AMEY C AMEY C AMEY C C C C C C C C C C C C C C C C C C C	F1.100 F1.100 F1.100 M F1.177 F1.77 F1.77 F1.37 F1.37 F1.37 F1.37 F1.37 F1.37 F1.37 F1.37 F1.37	587 599 450 66 100 1130 528 708 103 127 1068 121 147 430 430	1030 9.10 3.70 1.506 4.70 1030 1.704 6.50 1.50 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2	20 215 4 ~ 226 20 20 20 20 20 20 20 20 20 20 20 20 20	20 177 5.70 5.90 15 2.50 4.85 4.85 2.50 4.40 4.40 4.20 2.90 3.70	19 1 19 10 17 12 12 12 12 12 12 12	21.60 18.50 4.50A 11. 7.50 5.50 1.9 9.30 4.208	F96.90 F1,106 F1,174.30 F1,67.30 F1,64 F1,53.50 F1,57 F1,41.81
ABR P AEGON C AHOLD P AHOLD C AKZO C AMEY P AMEY P AMEY C AMEY C GIST-BROC, P HEINEKEN C HEINEKEN P HOOGOVENS C HOOGOVENS P KLM P MEDILOYD P MEDILOYD P	F1.100 F1.109.10 F1.177 F1.177 F1.177 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187 F1.187	587 599 450 66 100 1130 528 708 103 127 1068 121 147 430 430	1030 9.10 9.10 1.308 4.70 10.30 1.70A 6.50 1.80 1.50 1.230 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.5	20 215 4 ~ 226 20 20 20 20 20 20 20 20 20 20 20 20 20	20 177 5.70 5.30 12 2.60 4.20 4.20 4.20 4.20 4.20 4.20 4.20 4.2	19 128 10 17 17 17 17 17 17 17	21.60 	F96.90 F1,108 F1,174.30 F1,67.30 F1,64 F1,53.50 F1,197 F1,41.80 F1,57.20 F1,183.80
ABR P AEGON C AHOLD P AHOLD C AKZO C AMEY P AMEY P AMEY C AMEY C GIST-BROC, P HEINEKEN C GIST-BROC, P HEINEKEN P HOOGGOVENS C HOOGGOVENS P KLM C KLM P NEDILOYD P NAT-NED, P	F1.100 F1.109.10 F1.109.10 F1.109.10 F1.109	587 599 450 66 100 1130 528 708 103 127 1068 121 147 430 430	1030 9.10 9.10 1.308 4.70 10.30 1.70A 6.50 1.80 1.50 1.230 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.5	20 215 4 ~ 226 20 20 20 20 20 20 20 20 20 20 20 20 20	207 5.70 5.30 	10 12 12 14 15 16 16 16 16 16 16 16	21.50 14.50 4.50 1.50	F1.06 F1.74.30 F1.74.30 F1.69.40 F1.59.40 F1.35.50 F1.37 F1.49.80 F1.57.20 F1.26.80 F1.26.50
ABR P AEGON C AHOLD P AHOLD C ARZO C AMEY P AMEY C AMEY C AMEY C AMEY C AMEO P ELSEVIER C GIST-BROC C FIST-BROC C HEINEKEN C HEINEKEN C HOOGOVENS P RCM C RC	FL100 FL109.10 FL109.10 FL109.10 FL109 FL10 FL109 FL109 FL109 FL109 FL109 FL109 FL109 FL109 FL109 FL109 FL10	587 450 450 450 1130 1272 1048 1477 450 2482 1492 1492 1492 1492 1492 1492 1492 149	1030 9.10 9.10 1.308 4.70 10.30 1.70A 6.50 1.80 1.50 1.230 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.5	20 215 4 ~ 226 20 20 20 20 20 20 20 20 20 20 20 20 20	207 170 5-30 15 4-20 8-50 4-20 4-20 4-20 4-20 17-30 1-20 1-20 1-20 1-20 1-20 1-20 1-20 1-2	19 1 19 19 17 18 18 18 18 18 18 18	21.50 14.50 4.50 1.50	F96.90 F1,108 F1,174.30 F1,67.30 F1,64 F1,53.50 F1,197 F1,41.80 F1,57.20 F1,183.80
ABR P ABGON C AHOLD P AHOLD C ARZO C AMEY P AMEY C AMEY C AMEY C AMEY C AMEO P ELSEVIER C GIST-BROC C GIST-BROC C HEINEKEN C HEINEKEN C HOOGOVENS P RCM C RC	P.100 M.100	587 450 450 450 1130 1272 1048 1477 450 2482 1492 1492 1492 1492 1492 1492 1492 149	10.30 9.10 3.70 1.908 4.70 10.30 1.70A 4.9 1.90 1.90 1.70 2.50 2.50 2.20 2.20 2.20 11.50 1	20 21 24 22 20 20 20 20 20 20 20 20 20 20 20 20	207 5.70 5.30 	19 1 128 12 12 12 12 12 12	21.80 18.50 4.30A 4.30A 11. 7.50 3.50 9.30 4.208 4.208 4.208 4.208 4.208 4.208 4.208	F1.08 F1.74.30 F1.64.30 F1.64.30 F1.64 F1.33.50 F1.37 F1.47 F1.47.80 F1.37.20 F1.36.30 F1.36.30 F1.55.50
ABR P ABGON C AHOLD P AHOLD C AKZO C AMEY P AMEY P AMEY C AMEY C GIST-BROC, P HEINEKEN C GIST-BROC, P HEINEKEN P HOOGOVENS C HOOGOVENS P KLM C KLM P NEDILOYD P NAT.NED. P PHILLIPS C PHILLIPS P ROYAL DUTCH ROYAL DUTCH	P1109 M F1109 M F1109 M F1107 F120 F120 F120 F120 F120 F120 F120 F120	587 450 450 450 1130 1272 1048 1477 450 2482 1492 1492 1492 1492 1492 1492 1492 149	10.30 9.10 3.70 3.70 3.70 3.70 4.70 10.30 1.70 4.50 1.80 1.70 1.230 2.70 2.20 2.20 11.50 11.50 11.50 11.50 11.60 1.40 1.40 1.40 1.40 1.40 1.40 1.40 1.4	20 215 4 ~ 226 20 20 20 20 20 20 20 20 20 20 20 20 20	207 5.70 5.50 4.250 4.250 4.250 4.404 17.30 4.206 4.206 4.206 1.370 1.370 8.20 2.370 8.20 2.370 8.20 2.370 8.20 2.370 8.20 8.20 8.20 8.20 8.20 8.20 8.20 8.2	19	21.50 18.50 4.50 4.50 19.5	F1.08 F1.74.30 F1.64.30 F1.64.30 F1.64 F1.35.50 F1.37 F1.97 F1.98 F1.37.20 F1.38.80
ABR P ABGON C AHOLD P AHOLD C ARZO C AMEY P AMEY C AMEY C AMEY C AMEY C AMEO P ELSEVIER C GIST-BROC C GIST-BROC C HEINEKEN C HEINEKEN C HOOGOVENS P RCM C RC	P.100 M.100	387 579 450 66 1130 1272 106 107 107 107 107 107 107 107 107	10.30 9.10 3.70 1.908 4.70 10.30 1.70A 4.9 1.90 1.90 1.70 2.50 2.50 2.20 2.20 2.20 11.50 1	20 21 24 22 20 20 20 20 20 20 20 20 20 20 20 20	207 170 5-30 15 4-20 8-50 4-20 4-20 4-20 4-20 17-30 1-20 1-20 1-20 1-20 1-20 1-20 1-20 1-2	19 1 128 12 12 12 12 12 12	21.80 18.50 4.30A 4.30A 11. 7.50 3.50 9.30 4.208 4.208 4.208 4.208 4.208 4.208 4.208	F1.08 F1.74.30 F1.64.30 F1.64.30 F1.64 F1.35.50 F1.37 F1.47 F1.47.80 F1.36.30 F1.36.30 F1.55.50

TOTAL VOLUME IN CONTRACTS: 62,293 B = 84d C-Call

FT CROSSWORD PUZZLE No. 6,400



- ACROSS

 1 Medal, thus allowed in, is no longer used (8)

 5 Threaten devil with death?
 (6)
- 9. 10 Usual weight attached to pipe fittings, start of an early line (8-2-4)
- 16 Feeling of guilt about code (7)

- - 3 Compare sound of fungoid growth (5)
 4 Sounding horn in London (7)
 6 Dwarf missile? (9)
 7 Most of US state comes in before for good (8)
 8 Princess's bloomer, an awful
- thing (8) 12, 13 We can inflate: I mistranslated (9.5)

 14 Complacent, sticks the other
 way (4)

 15 Falls on the Nile (former name): round river a lot is

 - possible (9) 17 From the time when, end
- (7)
 13 Risk article being removed from small beard (7)
 21 Relative of a crazy nut (4)
 24, 25 Dismiss both teams at cricket? Impossible situation (5.6-3)
 27, 28 Give the passage a rub between wars (6.8)

 17 From the time when, endlessly, I placed part of head (8)
 18 Paul's art displayed on the shape of a kitchen implement (8)
 20 Instrument for sealing (4)
 21 Solvent with top quality sound? (7)
- between wars (6,8)

 29 Article about Reagan's
 chair? (6)

 sound? (7)

 22 Nail, one, round, for type of couch (6)
- couch (6)

 30 Transfusion on old web, possibly (3.5)

 DOWN

 1 Become hardened to loss if you take part (6)

 2 Sensible about part of London square (6)

 2 Couch (6)

 32 Very hot on a hill—journey unfinished (6)

 26 Pulse for broth? (5)

 The solution to last Saurday's prize puzzle will be published with names of winners next Saturday.

BASE LENDING RATES

	%		4		%
ABN 546	10	· Charles forman Bank	10	New (Pt. of Variable)	10
Adora & Company	9	Citizant NA	10	Hat Hestralegier	10
Alicel Arab Bit Ltd		City Merchants Bank	10	Hordrens Bank Lid	10
Affect Danter & Co	10	Chydeodale Bank	10	Remich Ges. Trest	10
Alfied Izish Bank	10	Cores (Sk. AL East	10	PK Finans, ladi (U)K)	10%
Asmerican Exp. Blc	10	Consolidated Cred	70	Provincial Trast (1)	30
Acoro Bank		Co-operative Bank	÷10	R. Raphael & Sons	10
Heary Austractor		Cygrus Popular Bb	10	ligatoryle Grantet	92
ANZ Banking Groun		Designa (Lawring	10	Royal Bk of Scotlagel	10
Associates Cap Corp	10	Equat'r'i TriC'p pic	10	Regal Trast Bank	10
Authority & Co Ltd	10	Eleter Tred Ltd.	1042	Solida & Williamson, Siless	10
Banco de Billian		Flauncial & Gen. Sec	10	Sandard Chartered	19
Bank Hanne first	10	First Mat. Fin. Corp	10	TS5	10
Bank Level (UIC)	10	First Had. Sec. Ltd	10	UDT Nortgage Exp.	904
Bank Credit & Comm	9	Robert Flessing & Co	10	رــــــاليدى: Sk of Kuna)	10
Bank of Coprol	9	Retart France & Pers	32		10
Basic of Ireland	9	Grebeck	9	Unity Trest PLC	10
Bank of India	9	Griedlays State	510	Western Treat	10
Bank of Scotland	10	Guinness Makes		Westpac Bunk. Corp	10
Banque Beige Lid		NFC Trest & Seriou	10	Whitemay Laidless	100
Berclays Bank		● Hassbro Basis	10	Yorigithe Bank	10
Benchwark TSI Ltd	10	Heritable & Sea, Tat.,	10		
Beneficial Trust List	10	● Will Samuti	₹00	· Mambers of the	Accept
Berliner Bank AG	10	C. Hoare & Co	10	Houses Committee. deposits 5.31%. Spennis	+7-4
Brit Sk of Mid East.	16	Horstean & Steepin	10	Tes Tier-12.500+ at 3	
Bream Shieles	10	Lloyes Raak		metics 7.97%. At a	dt wh
Business Mitor Tol	10	Megbray & Store Ltd			epositi
CL Bank Hederland	16	Middlerd Black		# Call deposits £1,000 a 41/% gross 7 Mortgage b	
Causia Personesi	10	O Marca Grafel	10	# Demand deposit	3.991

LONDON RECENT ISSUES

EQUITIES

					WINDS AND ADDRESS OF THE PARTY				.	L	4
Price	149	Date	High	جو ا	<u> </u>	Price	-	Day.	Care	Yleid	Rado
245	100	28/6	147	132	BAA ,	132	-3	Láá	24	33	173
#	P.P.	I -	84	65	BHP Gold Minus ASO.29	78		-	—	_	_
\$110	F.P.	14/6	163	111	Sabygro 10p	160		R2.4	32	21	19.1
1 178	F.P.	1 —	464	29	Captoon Sp	27]⊸[l —		1—	- 1
4120	F.P.	31/7	195	150	*Colorvision Sp	171		82.2	2.7		28.5
492	F.P.	26/8	190		-PCook (D.C.) Sp.,	170	-5	µ2.85	24	23	24.8
170	F.P.	_	100	84	Grosby (James) 10s	84		R1.75	3.4	2.8	143
170	F.P.	2848	216	205	Debestram Tewasia St	205	-8	13.25	23		27.5
£100	F.P.	25/8	130	116	#Economic Forestry	121	-5	R3.0			16.1
950	F.P.	_	57	55	*Gardner (J) So	57		R125	23		19.7
140	F.P.	21/8	191	178	@Graham Motors Sp	178		135	33		145
75	F.P.	10/8	285	257	Grahams Rin'l Inv Tit So.	257	-8			=	
F150	F.P.	31/7	190	150	#Hey and Croft 10s	165	-3	R3.65	3.4	31	128
111	F.P.	_	363		Hogy Robinson PLC	354	-10	NI.O.	2.7		32.9
£20	F.P.	_	54	29	*Honorbilt	29	-3				24,4
gj85	F.P.	97	250	223	Kentish Property 56	223	- 7	13.75	3.3		17.8
040	F.P.	26/6	235	188	Kingsgrange 100	197		42.35			29.9
£100	F.P.	_	145	120	Kingston Oll & Gas 50p	120	-13	_		=	
#65	F.P.	-	67	70	"Lynx Technology 50	75	+5	-	- 1	- 1	
1001	F.P.	-1	125	115	*Medirace 100	122	-3 [_	1	_	_
6295	F.P.	l – i	346	245	Monarch Res. 10o.	285	-20	_	_	_	-
\$1.10	F.P.	4/8	261	185	#Parkway 5g.	260	-5	R1.5	4.2	8.0	41.0
670	F.P	25/6	118	96	+Rural Planning 3st	96	-5 I	RLA	2.9		20.8
635 63	F.P	-1	70	35%	&SEP Ind'i. Hides, 50	61		_			28.4
63	F.P.	31/7	89	76	#Shelton (Martin) 10o	78	-2	u2.75	23		19.5
'	F.P.	-	277	398	USDC Int. Trust £1	168		HLS		11	

FIXED INTEREST STOCKS

lyter Price	Amperi Paid	Latesi Resurc	19	67	Storie	Classing Price	+ 97
€	149	Date	High	Line		E	-
100p	P.P.	21/8	1130	10tp	‡Aresco Caro. Plg Cre Red Prf 1997	106p	-2
10 0 p	30o	23/10	33129	30°20	Beazeri C.H.) 8.67pc Cum, Red. Prf	31p	******
	Mila	~	22 ₂₂₀ m	9ppp	Brent Walker 6% Com. Cor. Red Pri El	Septem	-3
1	F.P.	149	1190	100p	Crest Nicht Ison 51/2% Crey Corn Red Prf 🕮	100p	hang
4100	<u> 110</u>	10/9	9	7	Essez Water 94% Red. Deb. 97-99	7	
ji i	ini	11/9	25ppm	9ppm	Euro Home 54% Criv Cote Red Prf 2006/11 (2	9apus	-1
	250	11/7	25a	24p	Do. 87/3: Otros. Red. Pri 2001/05	240	-1
•	£50	11/9	503	421	Gosett Strategic Inv Tst 9% % Deb 2017	42,3	-2H
11	F.P.	20/8	38p 10	35p	Grahams Rieszel 1.7. Ptd. 200	35p	-1-
1002	£10	17/9	10	10	Lee Valley Wrz. 74% Red. Prl. 1997/98	10	
1	F.P.	7/9	1094	100	Los. Shap Prop. 7% Cay Unt Ln 2001/06	100	Person
558,471	130%	22/1	30%	23	Lyoptons Props & Rev 101, % 1st Mto Deb 2017	23	~14
	F.P.	26/B	1160	106a	Magnet&Sthew, 5.625% Car CurtRedPri2012 .	10bp (4
£100	570	10/9	20	7	Mid Kent Water 97% Red, Deb. '97-99	10	-
_	F.P.	-	100.	9912	Nationande 95 % 8ds. 11/7/88	1001	
-	F.P.	_	100	100	On. 10% Bds 1/8/88	100	et an
_	£25	11/11	25%	20%	North Housing Assoc. 84%, Gtd.In.2037	20%	
_	F.P.	_	270p	2440	Do. Zero Coro. Lu. 2027	244p	
ll l	\$GH		бария	4000	Norton Opez 54% Con. Red. Prl. 2002 £1	Loren .	-4
695,221	525	2/10	26		Peacher Property 912% Isl Mt.Deb.2015	164	-1
	F.P.	-	133p	100p	Risin Supe (Net) Con. Com, Red. Pri	100p	-1
77	Na.	~	5pm		Temple Bar LT, 6%Cmr. Uns. Ln. 2002	39 ₄ 0m	
	510	24/9	1212	10	Wresham&E.Den.Wtr7\s%Red.Prf.%/98	10	-

"RIGHTS" OFFERS

fssat Price	Paid	Resurc	19	87	Shork	Closing Price	+01
- INC	up _	Date	High	Low		P	~
18	TANK!	_	230000	190cm	AAcsis Jewellery 10p	190pm	-20
20	NA	-	143pm	96am	Bayres (Charles) 10p	96om	-5
50	NR	- 1	22pm	12om	Beschmark 20th	20pm	- 1
200	Nti	4/9	190pm	100pm	Copsen (F) 5p. ,	100pm	-17
58	N/A	15/9	225pm	210mm	DSC 10a.	210om	-16
125	Mil	11/9	21 pm	31-om	Daison Park 10n.	31297	-12,
435 .	Nil	28/8	145pm	105om	Dorlino Prart Sc. 50.	105pm	-15
11	IIN I	49	74pm	24om	ERA Group So.	24pm	-16
ප .	NGL	11/9	161 _{40m}	6 hors	Elswick So	101 _{29m}	-212
210	NII	11/9	95pm	65am	Earo, Home Preds. 50	6502	-3"
60	Reji	- 1	Зрега	20m	#Flord Oli 10s	Zem	
30	NII		110pm		+Gientree 10p	75pm	-10
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Dec. Aphilements Staars 10p. 136 17.5 1.9 3.3 1.920.6 — — — — — — — — — — — — — — — — — — —	Sunriyard 109 201	Airyhe Inda. 25-5 27.4 24.0 19 5.014.1 27.4 24.0 19 5.014.1 27.4 24.0 19 5.014.1 27.4 24.0 19 5.014.1 27.4 27.4 27.2 27.12.7 27.4 27.5 27.12.7 27.4 27.5 27.12.7 27.12	INDUSTRIALS (Miscel.) The last as year last as a control pre-	Aug. Lidenses No. 199 340 294 5,5 4.0 1,9 13.9 Acr Aug. Lidenses (Gr. 1.0) 348 11,5 9,0 4.7 2,2 13.0 Aug. Aug. Lidenses (Gr. 1.0) 265 14,6 19,5 2.3 3,0 19,3 Aug. Lidenses (Gr. 1.0) 125 14 19,2 28 2,1 27.4 Aug. Lidenses (Gr. 1.0) 12,0 14,0 Aug. Lidenses (Gr. 1.0) 12,0 14,0 Aug. Lidenses (Gr. 1.0) 12,0 14,0 Aug. Lidenses (Gr. 1.0) 12,0 Aug. Lidenses (Gr. 1.0) Aug. Lidenses (Gr. 1.0) 12,0 Aug. Lidenses (Gr. 1.0) Aug. Lidense	September 59
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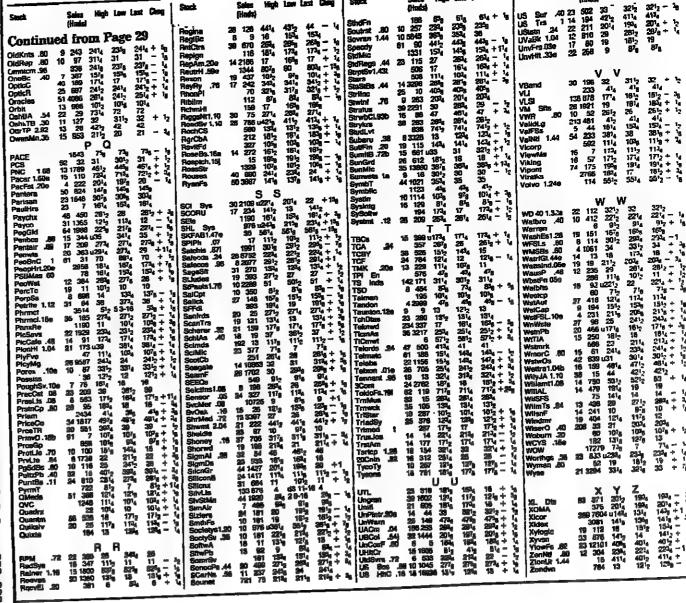
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WORLD STOCK MARKETS

AUSTRIA	GERMANY	AUSTRALIA 1987 Aug. 7 Price 1987 Aug. 7 Price Price Aug. 7 Price Price Price Aug. 7 Price Pric
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780 565 Perimoser	523 375 Bayer-Veren 477.00 543 390 BHF-Bank 748.00 760 455 BMW 748.00 344 270 Brown Bover 342.00	3.6 2.65 Arngol Pet 2.70 1118 502 5710gesine 640 014Kne 1270 127
BELGIUM/LUXEMBOURG	312 244.5 Commerzuant 353.00 361 269 Cont'l Gumm 353.00 1220 920 Dalmier-Benz 1205.00	0 9.6 7.1 Bell Group 5.34 1960 1190 Daler 1950 OpticR 1960 1.54 1960 1.54 1960 1.54 1960 1.54 1960 1.54 1.57 1.56 1.57 1.56 1.57 1.56 1.57 1.56 1.57 1.56 1.57 1.56 1.57 1.56 1.57 1.56 1.57
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15200 14300 Bank Int. A	350.5 268 Feldmuelle Noor 568.00 582 458 Henkel	10.55 1 1 Bulb Gold
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6850 6080 Generale Bank 6590	560 403 Warstadt	0 52 2 Comalco "A"
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DENMARK	747.5 620 Stemens 138.5 139.5 109 Thissen 371.0 139.5 131.1 Varta 371.0 331.5 252 Veba 131.5 139.5 V.E.W. 144.0	1340 998 Kurnagal 120 1340
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260 248.5 Amer	63.6 48.4 Hunter Douglas 61.90	High Lew Rand 1510 1120 Nippon 01 Nippon 01 1120 Nip
118 85.5 Frinish Sugar 208 213 132.5 Nokia 208 106.5 69 Pohjola 'B' 208 101.5 108.5 24.8	57.2 35.1 KLM	50 175 92 Anglo Am Coal 36.25 675 460 Nippon Suisan 582 Nippon Yusen 582
265.5 137.5 Stockmann 'B' 263 36.75 28.8 UBF 'C' 35.4 167.5 150 Utd. Paper 16.3 248 155.5 Wartsla (s.1.1)	185.8 128.5 Ned Lloyd	00 25.75 18.9 Barlow Rand 26.75 5900 2920 Nemma 200 Rai 30 81.75 65 Buffels 77.50 1390 948 Olympus 200 Rai 30 0 81.75 65 Buffels 5.28 840 540 Onada Cement 357 Red
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MONTREAL Portfolio. 2026.9 2029 94	K ACTIVE STOCKS	WORLD MS Carried Intl. (1/1/70) 466.8 463.4 460.80 480.30 (12/6) 361.3 (2/1)
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ER-THE-COUNTER Nasdaq national market, Closing prices August 7



CONFERENCE

10 & 11 September, 1987 FRANKFURT

The Financial Times World Motor conference to be held in Frankfurt on 10 & 11 September to coincide with the Frankfurt Motor Show, will look at industry perspectives into the 1990s and the importance of strategic alliances and marketing in a competitive environment. Speakers on an impressive platform include:

Mr Robert A Lutz
Executive Vice President
Charelet Motors Corporation

Chrysler Motors Corporation

Dr Hansjörg Manger

Member of the Executive Board

Robert Bosch GmbH

Mr F Perrin-Pelletier

Counsellor to the President
Peugeot SA

Mr Hermann Franz
Executive Vice President
Siemens AG

Ing Giorgio Garuzzo
Managing Director & Chief
Executive Officer
Iveco BV

Dr Carl H HahnChairman of the Management Board
Volkswagen AG

Ing Sergio Pininfarina President Pininfarina SpA

Mr Roger B Vincent Managing Director Bankers Trust Company, New York

Mr Peter W Schutz President

Porsche AG

Professor Noritake Kobayashi

Graduate School of Business

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Telefax No:	_ <u></u>
Type of Business	

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PARKFIELD GROUP PLC

(Registered in England No. 681440)

Introduction to the Official List

Rights Issue of 8,884,703 new ordinary shares of 2p each at 340p per share

وموجوه والمحال لبان لا بالأمال بالأوال ومواجع ومواجع ومواوي والمعارب والمحارب والمحارب والمحارب والمحار

	SHARE CAPITAL	
Authorised		Issued
£		£
1,175,000.00	Ordinary shares of 2p each – fully paid	655,776.24
96	New Ordinary shares of 2p each - nil	177,694.06
in the	paid (payable in full on acceptance not	
	later than 3.00 pm on 28th August, 1987)	·
		833,470.30
2,750,000.00	7 per cent. cumulative convertible	2,750,000.00
	redeemable preference shares of £1 each	
3,925,000.00	•	3,583,470.30

Parkfield Group PLC is an industrial holding company with its principal interests in the manufacture of a range of industrial products and in the distribution of electrical, gas heating, pharmaceutical, photographic and video products and records.

heating, pharmaceutical, photographic and video products and records.

The Council of The Stock Exchange has admitted the above mentioned shares to the Official List. Listing Particulars relating to Parkfield Group PLC are available through the statistical services of Extel Statistical Services Limited. Copies of the Listing Particulars may be obtained during usual business hours on any week day (Saturdays and public holidays excepted) up to and including 12th August, 1987, from the Company Announcements Office of The Stock Exchange and up to and including 28th August, 1987, from:

James Capel & Co. James Capel House 6 Bevis Marks London EC3A 7JQ Parkfield Group PLC Longdene House Haslemere Surrey GU27 2PH

Murray & Co. Stockbrokers Limited Beaufort House 94-96 Newhall Street Birmingham B3 1PE

10th August, 1987

This advertisement is issued in compliance with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.



YELLOWHAMMER PLC

(Incorporated in England under the Companies Acts 1946 to 1976 No. 1395446)

INTRODUCTION BY
JAMES CAPEL & CO.
of 10,360,000 Ordinary Shares of 5p each

SHARE CAPITAL

Authorised

Ordinary Shares of 5p each

Issued and fully paid £518,000

£650,000

Yellowhammer plc ("the Company") is a holding company which, through its subsidiaries, is engaged in the advertising and marketing services industry.

Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of the Company to be admitted to the Official List. The whole of the issued ordinary share capital of the Company was formerly dealt in on the Unlisted Securities Market.

Particulars of the Company are available in the Extel Statistical Service and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays and Bank Holidays excepted) up to and including 24th August, 1987 from:-

James Capel & Co., James Capel House, 6 Bevis Marks, London EC3A 7JQ. Yellowhammer plc, 46 Wigmore Street, London W1H 9HF

10th August, 1987

This advertisement is issued in compliance with the requirements of The Council of The Stock Exchange. It does not constitute an offer or invitation to any person to subscribe for or purchase any securities in the Company.

FKB Group plc

(Incorporated in England under the Companies Acts 1948 to 1981



Application has been made to the Council of The Stock Exchange for the whole of the Company's issued share capital, formerly dealt in on the Unlisted Securities Market, to be admitted to the Official List.

Introduction of the whole of the Ordinary share capital to the Official List

SHARE CAPITAL

Authorised

£825,000

Ordinary shares of 5p each

Issued and fully paid 592,705

The principal activity of the Group is sales promotion. The Group also offers a number of marketing services.

Details relating to FKB Group plc and the above shares are available in the statistical services of Extel Financial Limited.

Copies of the Listing Particulars may be obtained from the Company Announcements Office of The Stock Exchange until 12th August, 1987 and during usual business hours on any weekday (Saturdays and Public Holidays excepted) up to and including 24th August, 1987 from:

James Capel & Co James Capel House 6 Bevis Marks London EC3A 7 Q

FKB Group plc Palace Wharf Rainville Road London W6 9HD County NatWest Limited
Drapers Gardens

12 Throgmorton Avenue
London EC2P 2ES

10th August, 1987

James Capel CORPORATE FINANCE

The Corporate Finance Department will be moving to:

6 Devonshire Square, London EC2M 4LB Telephone: 01-283 5230 Fax: 01-623 5768.

With effect from 10th August, 1987

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FOREIGN EXCHANGES

Better trade figures expected for the US and UK

been a very successful period as far as many economic forecasters

are concerned In general the news released on the UK economy was much worse than expected, while most forecasts on the major US statistics were a little wide of the mark. Second quarter US GNP growth

rose 2.6 per cent, against forecasts of around 2 per cent, while the rise to \$14.4bn in the May trade deficit was not widely expected. Forecasts centred around a figure little changed from the April deficit of \$13.3bn.

This week presents plenty of opportunity for the forecasters to redeem themselves, although how much impact the considerable number of US statistics will have on the dollar is questionable.
The market appears to have

July 33	Close	Previous Close
E Snot	1.5905-1.5915	1.5925-1.5935
2 month	0.30-0.29 pm	0.30-0.24 pm
3 man 26	0.92-0.90 ppr	0.39-0.86 pm
12 months	3.38-3.31 pm	3.30-3.25 pm

			Aug 7	Previous
8.30	am		72.1	72.1
9.00	am		721	72.0
10 00	am		72.0	72.0
11.00	am	20000	72.0	72 0
Noon			72.0	72.0
3.00	pm		72.0	72.1
2 00	2872	1	72.0	72.3
3.00	Peri		71.9	72,1
4.00	pm		72.0	72.1

CURRENCY RATES

Aug. 7 Bark	Special	European
este	Drawing	Currency
ou	Region	Unit
Sterling	0.79868 1.2559 16.5208 49.0562 9.00495 2.3639 N/A 189.96 N/A	0.700655 1.10178 1.46008 14.5749 43.0245 7.89701 2.07355 2.33401 6.91852 1503.65 16c.589 7.58300 140 973 7.22878 1.72153 156.827 0.773831

CORNERCI	MICH TEN	7419
Aug. 7	Bank of England Index	Morque Guaranty Charles %
Sterling	72.0	-21.5
U.S. Dollar	204 9	-25
Canadian Dollar	79.1	-9.7
Austrian Schilling	136.4	+10.1
Belgian Franc	99.2	4.8
Danish Ivone	92.0	+2.0
Doutsche Mark	145.5	+21.1
Swiss Franc	170.3	+21.8
Guilder	133.9	+14.1
French Franc	70.9	-13.2
ļia	46.7	-18.7
Yes	214.1	+59.2

OTHER CURRENCIES

Aug. 7	£	5
Argentina	3,1555-3,1695	2.0130-2.0210
Austraffa	22410-22440	1.4285-1 4295
Brazii	72,3305-72,7259	46,1410-46,3720
Finland	7.1575-7.1700	4.5670-4.5700
Greece	221.85-225 65	140.85-143.25
Hong Kong .	12.2430-12.253	7,8105-7,8115
Iraa	115 65*	72.80*
Korea Sthl .	1268.85-1280.35	805.20-811.80
Kuwait	0.44710-0.44830	0.28545-0.28595
Lesembourg	b1.30-b1.40	39.10-39.20
Malaysia	3 9855-3,9900	2 5425-2 5440
Mexico	2358.30-2270.90	1447.00-1448 00
N. Zealand .	2,7315-2,7365	1.7405-1.7430
Sandi Ar	5.6730-5.8780	3.7490-3.7500
Singapore	3.3115-3.3150	21125-21135
S. Af. (Cm) .,	3,2455-3,2615	2.0835-2.0875
3 41.1Fn) _	5,1905-5,3660	3,3060-3,4190
Tarean	47.80-48.05	30,35-30,45
U.A.E	5.7530-5.7580	3.6725-3.6735
	"Selling rate	

FORWARD RATES AGAINST STERLING

US Dottar 1.5675 1.5673 1.5533 1.3455 1.5 D-mark 2.9625 2.9473 0.9199 2.8766 2.7 French Fr 9.3825 9.8670 9.8434 9.8184 9.7 Sent Fr 3.4650 2.4515 2.439 2.3911 2.5 Nen 2.3750 2.36.22 2.77.35 2.5659 22.9		2 box	l meh	nihi .	te me,ris	12 msts
	D-mark French Fr	1.5675, 2.9625 9.8825 3.4650, 1.37.50	1 5633 2,9473 9 8670 2 4515 236-22	1 5533 2.9199 9.8434 2.4359 2.7035	1.5455 2.8766 9.8184 2.3911 250 59	1.530 2.798 9.793 2.522 224.4

watching, with the dollar's recent rise put down to technical strength on charts, and such imponderables as the mood in Tehran and the likelihood of a clash between Iran and the US, plus trying to guess whether a rise in yields will be enough to tempt strong Japanese demand at the delayed US Treasury quarterly

refunding auctions.
This week's most important day is likely to be Friday, when figures on US trade; industrial production and producer prices are released. According to a survey by Money Market Services the median forecast for the June US trade deficit is \$13bn. Among fore-casts from the US, Goldman Sachs is in line with the general level at \$13bn, while Merrill Lynch expects \$12.5bn. In London, Klein-

wort Grieveson Securities agrees with \$12.5bn, Morgan Grenfell

looks for \$12.8bn, Nomura Research Institute goes with the general view of \$13bn, and Baring Brothers suggests \$13.3bn. Several economists pointed out that an improvement in the deficit is expected because for the first time Washington is taking into account Canadian figures, which are believed to be more accurate and consistently give a more favourable figure to the US on the trade balance between the two

countries.

An MMS survey points to a rise in July US industrial production of 0.2 per cent. MMS itself, Kleinwort Grieveson, and Morgan Grenvell. fell all believe the figure will be 0.3 per cent

Forecasts for the rise in July producer prices range between 0.3 per cent and 0.5 per cent. As far as UK statistics are concerned, all eyes will be on Tues-

RENCY	ו דואט	PATE	5
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	central rates	Correccy amounts against Ecu Aug. 7	% charge from central rate	% change adjusted for divergence	Divergence
rigian Franc rish Krone rman D-Mark ench Franc sh Punt lilan Lira	42.4582	43.0245	+1.33	+0.77	± 1.5344
	7.85212	7.89701	+0.57	+0.01	± 1.6404
	2.05853	2.07355	+0.73	+0.17	± 1.0981
	6.90403	6.91852	+0.21	-0.35	= 1.3674
	2.31943	2.33401	+0.63	+0.07	± 1.5012
	0.768411	0.773831	+0.71	+0.15	± 1.6684
	1483.58	1503.65	+1.35	+1.30	± 4.0752

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Aug. 7	_£	5_	DM	YEN	F Fr.	S Fr.	H FI.	Liva	C\$	BFr
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UM.	0.338 4.211	0.529 6.600	12.47	80.17 1000.	3,336 41.61	0.832 10.38	1.126 14.04	724.9 9042.	0.701 8.747	20.77 258
f fr. S fr.	1.012 0.406	1.586 0.636	2.998 1.202	240.3 96.35	10. 4.009	2.494 1	3.375 1.353	2173. 871.2	2.102 0,843	62.05 24.85
H FL Lina	0.300 0.466	0.470 0.730	6.888 1.380	71.21 110.6	2.963 4.602	0.739 1.148	1. 1.553	643.9 1000.	0.623 0.967	18.40 28.57
C S B Fr.	0.481	0.756 2.555	1.425	114.3 387.1	4.757	1.187	1.605 5.436	3500.	3.386	29.53 100.

EURO-CURRENCY INTEREST RATES

Aug. 7	Short, Lerm	7 Days notice	One Month	Three Months	Six Months	Gee Year
Sterring U.S. Dollar Can, Dollar D. Guilder Sw. Franc Decischwark Fr. Franc Liallan Lire B. Fr. (Coo.) J. Krone D. Krone	\$400 \$400 \$400 \$400 \$400 \$400 \$400 \$400	94.9 64.69; 64.69; 54.24; 34.39; 7/2.71; 13.111 64.64; 64.64; 64.9	10-976 61-652 57-652 54-552 34-354 712-712 124-124 61-642 61-642 324-352 104-10	10 is -10 is 7 is -10 is 9 is -8 is 5 is -3 is 4.2 is 8 is -9 is 12 is -12 is 6 is -6 is 4 is -4 10 is -10 is	100-100 72-74 92-94 51-5-1 43-95 83-85 124-117 612-612 44-44 44-44	10%-10% 74-75 95-94 55-54 46-46 94-94 124-114 76-76
Asian \$Sing	41,-41,	N/A	4/4-3/8	42.44	114-104 42-42	1114-104 47-44

POUND SPOT-FORWARD AGAINST THE POUND

August 7	Day's Spread	Close	Owe month	₩ 8-2	Three promis	% pa.
US	1.5650-1.5760	1.5670-1.5680	0.44-0.40c pm	3.22	1.25-1.20 pm	1.85
Canada	2.0744-2.0862	2.0770-2.0780	0.18-0.07c per	0.72	0.54-0.42 am	0.92
Netherlands .	3.324-3.34	3,33-3,34	1½-1½c pm	4.50	4-31 ₄ pm	4.65
Belghan	61.30-61.55	61.30-61.40	22-15c mm	3.62	60-49 pm	3.55
Denmark	11.244-11.294	11,25-11,29	som were dis	~0.20	15-25 ds	-0.78
reland	1.1044-1.1086	1,1050-1,1060	8er-0.10e dis	-0.54	per-0.20 dis	-0.36
W. Germany .	295-2964	2.954-2.964	15-15-ci pm	6.08	45-55 (80)	5.90
Portugal	229.27-231.67	229.30-230.30	47-105c dis	-3,50	230-321ds	-4.60
Spain	200.95-201.39	200.95-201.25	61-94c dis	-4.62	221-270 dis	-4.55
laly	21424-2146	2147-2148	3-blive dis	-251	8-15 dts	-214
Norway	10.774-10.844	10.80-10.81	3-Floore dis	-3.96	107-12년 원	-4.26
France	9.86-9.884	9.8714-9.6814	14-14c pm	1.97	41-31-gam	1.59
Sweden	10.294-10.344	10.32-10.33	14 ore on	1.23	2-7, pm	0.56
	237-2384	237-238	14-14 year par	6.32	31-31 ₂ pm	611
Aerstria	20.76-20.86	20.77-20.80	105-90 gro pm	3.77	291-271 pm	5.50
witzerland	2454-247	246-247	lis-lie c pm	6.69	3%-34 pm	6.19

XILAR	SPGT-	-FORWARD	AGAINST	THE	DOLLAR

Aug. 7	Day's spread	Close One month		% p.a.	Titree months	P.E.		
UK†	1,5650-1,5760	1.5760-1.5680	0.44-0.40c pm	3.22	1.25-1.20 com	1.85		
Irelandt	1,4148-1,4237	1,4150-1,4160	0.30-0.20; pm	2.11	0.92-0.82 am	244		
Canada		1.3255-1.3265	0.24-0.27c dis	-231	0.69-0.72 dis	-213		
Nemerlands .	2,1170-2,1290	2,1270-2,1280	0.29-0.25c pm	1.56	0.94-0.89em	1.73		
Belgium	39.00-39.25	39.10-39.20	3pm-per	0.46	8-3 pm	0.56		
Denmark	7.14:2-7.1912	7.194-7.204	1.25-1.95ore dit	-2.68	4.90-5.60 de	-2.93		
W. Germany .	1.8800-1.8915	1.8890-1.8900	0.48-0.45ef em	2,97	1.47-1.42pm	3.07		
Portogal	1464-1474	1471-1471	70-105c dh	-7.14	260-315 dis	-7.52		
Spain	127.64-128.55	128,30-128,40	85-105c dist	-8.91	230-260 dis	-7.66		
سيبسب ولفاة	1362-13705	13644-13704	6.00-7.00fire dis.	-5.72	16.00-19.00ds	-5.13		
Norway	6.861 - 6.891	6.89-6.84%	3.95-4.45 ore dis	-7.33	11.90-12.40ds	-7.07		
France	6.27-4.30%	6.304-6.304	0.55-0.65c dis	-1.15	2.05-2.35 db	-1.40		
Sweden	6.55-6.59	6.5812-6.59	0.90-1.25ore dis	-1.97	3.50-3.90 dis	-2.26		
Japan	150.95-151.60	151.45-151.55	0.43-0.40y pm	3.30	1.18-1.13 pm	3.06		
Austra	13 274-13-2515	13.25-13.25%	3.10-2.70gra pre	263	9.00-8.00 pm	2.57		
Swazeriani	1.5610-1.5735	15715-15725	0.4T-0.4Zc pm	3.42	1.30-1.25 pro	3.27		
T UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and in								

MONEY MARKETS

Looking

LAST WEEK'S move by the authorities to engineer a rise of 1 per cent in UK bank base rates was a great surprise to

most sections of London's finan-cial markets.
Discount houses can suffer badly from any sudden upward move in rates, but according to one of the biggest houses, only the

timing and not the actual move but it is generally believed the was a shack. Many houses will economic data to be released this have already sold large amounts month will provide the reason.

FI LONDON INTERBANK FIXING (11.00 a.m. Aug. 61 3 momhs U.S. dollars e monte U.S. dollars bid b 12 after 7 14 bid 7 12 | offer 7 12 The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offeregrates for \$10m quoted by the market to five reference banks at 11.00 a m. each working day. The banks are National Westmitter Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

SANK OF ENGLAND TREASURY BILL TENDER

	Aug :	July 31		Aug. 7	July 31
Bilth on other Total of applications	11 164m 230ym 297,560	L3GOm	Top screpted rate of discount Average rate of discount Average yield Amount on offer at next lender	9.7668%	
WEERLY CHAN	ge in v	YORLD	INTEREST RATE	s	
LONDON	Aug 7	change	NEW YORK	Aug 7	change
7 tay Imerbank	90	+1	Prime rates	84	Unchra
3-merch imerical	10.1	+0.8797	Federal Funds	650	Unch'd
Treatury Bill Tender	8.0	ก หรือร	3 Mm. Treasury Bills 6 Mth. Treasury Bills	6.02	-0.24
Earld Balls	97	+1	3 Mth. C D	6.43	-0.01
Sand 2 Enlis	97	+1		6.77	+0.02
Bund 3 Bill's	97	+Ī	FRANKFURT		
Bang a Bills	95	+1	Lombard	5.0	Unch'd
3 Mth Treusury Bill	3.8	+ 8	One mits Intertank	3.625	-0.15
1 Min Bank Bills	93g	+1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1		3.925	-0.05
	4.9	+ 4	PARIS	1	
TOKYO			Intervention Rate	强	Unchid
One marth Balls	3 59375	+0.0625	One mth.Imerbani	7.4	Undid
hrv. momh Bilk	3.71675	Unch'd	Three month	712	Ungi'a
BRUSSELS			MILAN		
Gae wouth	b: }		One month	1119	-12
Terre month	O.Z	-14	Three month ,	114	+14
AMSTERDAM			DUBLIN	1	-

Louiston—band 1 bills malare in up to 14 days, band 2 bills 15 to 33 days, band 3 bills 34 to 63 days and hand 4 bills bill o 21 days. Rate, pooled represent Bank of England buring or selling rates with the murey murkey. In other centre, rates are generally deposit rates in the domestic money market and their respective changes during the week.

of longer dated bills to the Bank of England in recent weeks, and should not have been too heavily exposed in gilts.

Apart from the trade figure for signs of inflationary pressure. Many forecasters expect an underlying rise to 8 per cent in June from 7% per cent.

exposed in gilts.

The main question asked was why increase rates at a time when UK clearing bank base lending rate 10 per cent since August 7 there was no strong pressure in the money market, or on sterling? Some City economists believe the rise will prove to be a mistake, rise, reflecting an increase in but it is generally believed the commodity prices. The market economic data to be released this will also look carefully at Thurs-

day's figure on average earnings

NEW YORK (4 pm)		ne month		PHS and Bonds 5.17 Three year 7.5 5.63 Four year 8.			
Prime rate Broker loan rate Fed. funds at intervention	8-7% S	iree aund ir month nt year wo year		6.02 Five 6.38 See 6.93 10)	by year	B.5	
August 7	Overråght	Que Month	Tera Mortis	Three Identits	Siz Months	Lombard Intervention	
Frankfurt Paris Zench Amsterdamt Tokyo Unian Brotzeks Dublin	3.55-3.65 71-75, 7-114 51,-514 3.21875 107-1114 5.40 94,-94,	3.75-3.90 75-74 34-34 54-54 3.59375 114-113 64-62 94-10	3.75-3.90 714-72 - - 10-10	3.85-4.00 77-8 31-314 51-51- 3.71875 111-12 51-65- 101-101-	3.95.4.15 84.82 	5.0 7%	

Aug. 7 One Year 9%-9% 9%-9% 9%-9% 9%-9% 9%-9% 9%-9% 6.856.80 6.55% 6.11-618 Intertant
Sterling CDs.
Local Authority Deps.
Local Authority Bond
Discount Mist Deps.
Company Deposits. 814

day's June UK trade figures. Merrill Lynch in London said that already reflected in prices, but
after last Thursday's surprising while fearing the worst City
rise in bank base rates any figure economists could see no underbetter than the May trade deficit lying reason to change their foreof £1.66n and a current account casts of an improved trade
shortfall of £56lm will be considered excouraging

The sharp fall in gilts and visible deficit of £750m, and a cur-equities at the end of last week rent account deficit of £150m.

and £200m, Baring Brothers expects £790m and £196m, and Kleinwort Grieveson suggests LIFFE LONG CILT FUTURES OPTI Strike Calk—Last Put Price Sept Dec Sept 110 5-50 6-89 1.04 112 3-57 5-12 0.11 114 2.13 3-62 0.31 116 0.63 2-54 1.17 118 0.22 1-59 2-40 120 0.07 1.25 4.25 122 0.01 0.55 6.19 124 0.00 0.35 3.18 Limaned volume trait, Calk 35,206 Puts LIFFE FT-SE 188 HBDEX FUTURES GPTIBES
Strike Cafts 4.3x1 Pets-Lax4
Price Asp. Sept. Asp. Sept.
23250 0.78 3.07 9.58 11.67 23500 0.26 1.88 13.96 15.49 24000 0.20 1.44 16.30 17.59 24250 0.11 110 18.71 19.70 24550 0.05 9.82 21.6 21.92 24750 0.03 0.01 23.63 24.21 2500 0.01 0.04 26.11 26.54 Estimated volume total, Caits 54 Parts 13 Previous day's open int: Caits 419 Parts 234

Goldman Sachs London economic unit agrees with these figures, while Merrill Lynch, and County NatWest Gilt Edged Securities expect £850m and £50m. Stock-

broker James Capel, Nomura, and Morgan Grenfell forecast £800m

Pets-Sept. 1.50 0.25 1.00 3.46 7.85 11.00 15.30

Dec. 0.13 0.19 0.26 0.35 0.47 0.64 0.83

0ec 12,90 9,80 5,80 3,10 1,85 0,65 1,20 Aug. 0.20 0.35 2.30 7.50 12.55 14.80

0.75 0.62 0.49 0.36 0.29 0.22 0.16

JAPANESE YEN (IM Y125m \$ per Y180

58-16 87-16 86-20 85-28 85-03 84-12

93.88 93.53 93.29 93.07 93.07 92.68 92.68

Low 0.6371 0.6416 0.6490

Pres. 93.96 93.56 93.12 92.91 92.92 92.72

Sept. Dec. Mar. June Sept. Dec. June June

High 94,00 93,65 93,37 93,13 93,13

Close 0.6609 0.6657 0.6711 0.6768

DEUTSCHE MARK (?N BM125,800 \$ per DN

02.79 92.79 92.31 92.59 91.77 91.48 91.28 91.28 91.90

High 92.81 92.34 92.01 91.75 91.53 91.31 90.91

92.68 92.19 91.89 91.62 91.40 91.20 91.02

Prev. 92.75 92.30 91.98 91.72 91.49 91.29 91.10 90.95

High 0.6640 0.6688 0.6725

0.00 0.00 0.00 0.00 0.02 0.30 0.30

0ct. 0ct. 1.40 1.45 7.00 11.40

Mar. 0.32 0.40 0.52 0.65 0.81 0.99

2.70 1.10 2.35 4.70 9.20 12.10

0.57 0.69 0.81 0.95 1.11 1.29 1.48

Pres. 0.6624 0.6672 0.6726

LIFFE E/\$ OPTIONS £25,000 (cents per £1) 0ct. 0.14 0.73 2.35 5.37 9.52 14.26 Pub-Sept. 0.01 0.15 1.22 4.28 8.82 13.77 18.77 9.80 5.20 2.40 0.90 0.35 Sept. 12.70 9.80 3.45 1.05 0.45 0.20 0.50 9.80 4.80 0.40 0.20 0.20 0.35 001 1170 670 315 117 032 0.06 Aug. 0.00 0.25 3.44 8.40 13.40 18.40 0.66 1.77 3.80 6.84 10.74 15.21 20.00 Strike Price 91.50 91.75 92.00 92.25 92.50 93.00 Previous Calls-Dec. 0.88 0.69 0.51 0.35 0.22 0.14 0.08 Sept. 1.24 0.99 0.74 0.51 0.29 0.11 0.04 Mar, 0.76 0.59 0.46 0.34 0.25 0.18 0.12

0cl 510 7.25 9.50 11.80 14.10 Sept. 4.20 6.35 8.70 11.20 13.60 16.10 18.50 3.45 6.00 8.40 10.90 13.40 15.80 18.40 577,044 Dec. 6.40 8.45 10.30 12.60 14.80 17.20 19.50 CHICAGO

LONDON Cluse High Low 104.33 104.40 104.17 103.93 I Volume 841 176.31 Say's open Inc. 875 (1,035)

U.S. TREASURY BILLS (OSE High Low 23.44 89.75 89.40 89.75 89.45 89.55 89.45 89.55 89.55 89.45 Prev. 89.75 89.72 89.80 89.81 89.70 Sept. Mar. Jan. Sept. Dec. Close High Lew Prev. 223,90 226,30 222,10 236,10 228,40 226,30 226,10 230,60

92.64 92.14 91.64 High 92.77 92.92 92.01 91.74

CURRENCY FUTURES POURD-\$ (FOREIGN EXCHANGE)

Spot 1-min, 3-min, 6-min, 12-min, 1.5675 1.5633 1.5553 1.5455 1.5300 IMM-STERLING Se per £ Close High Low 1.5585 1.5685 1.5580 1.5470 1.5565 1.5455 1.5380 — 1.5400 1.5300 — 1.5325 LIFFE-STERLING E25,000 \$ per 5 Prev 1,5702 1,5603 1,5505 Estimated valume 124 (41) Previous day's open int 921 (886)

There are already suggestions of another sharp rise in bank lending, and if the worst fears prove correct last week's rise in base rates may begin to look insufficient. On the other hand it should be pointed out that economists generally believe the economy remains underlyingly healthy.

Treasury Bills (cell), one-month 912 per cent; three-months 912 per cent; Bank Bills (sell): one-month 912 per cent; three months 913 per cent; Treasury Bills; Average Lender rate of discount 9.7668 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day July 31, 1567. Agreed rates for period August 26 to September 22 1987, Scheme 1: 10.59 p.c., Schemes 11 & 111; 10.49 p.c. Reference rate for period July 10 July 31, 1987, Scheme 1V: 9,228 p.c. Local Austronity and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 91:per cent from August 1, 1987: Bank Deposit Rates for soms at seven days' notice 3-31; per cent. Certificates of Tax Deposit (Series to 1) Deposit Rates for soms at seven days' notice 3-31; per cent. Certificates of Tax Deposit (Series to 1) Deposit 1, 100,000 and over held under one normal 8 per cent, one-fixed months 84, per cent; three-six months 9 per cent; six-nine months 91; per cent; nine-12 months 94 per cent; Under £100,000 8 per cent from July 16, Deposits withdrawn for cash 5 per cent.

YORKSHIRE BANK Base Rate

Yorkshire Bank announces that with effect from close of business on

FRIDAY AUGUST 7 1987 Base Rate is increased from 9% to 10%

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Yorkshire Bank Base Rate will be varied accordingly.

Head Office

20 Merrion Way, Leeds LS2 8NZ



BaseRate

BCC announces that from 7th August 1987 its base rate is changed from 9% to 10% p.a.

BANK OF CREDIT AND COMMERCE INTERNATIONAL SOCIETE ANONYME LICENSED DEPOSIT TAKER NO LEADENHALL STREET, LONDON ECJA JAD

This advertisement compiles with the requirements of the Council of The Stock Exclunge. It does not constitute an offer of, or invitation to the public to purchase, any securities.

£150,000,000

Hillsdown Holdings plc

4½% Convertible Bonds Due 2002

The following have agreed to purchase or procure purchasers for the Bonds:

Credit Suisse First Boston Limited

Kleinwort Benson Limited

BNP Capital Markets Limited

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A. Deutsche Bank Capital Markets Limited

Security Pacific Hoare Govett Limited

Swiss Bank Corporation International Limited

S. G. Warburg Securities

Wood Gundy Inc.

Yamaichi International (Europe) Limited

The issue price of the Bonds is 100 per cent, of their principal amount. Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List. Interest will be payable unnually in arrear on 27th December in each year, commencing on 27th December, 1987.

Particulars relating to the Bonds and the Issuer are available in the statistical service of Extel Financial Limited and copies may be obtained during usual business hours up to and including 12th August. 1987 from the Company Announcements Office of The Stock Exchange and up to and including 24th August, 1987 from:

Hillsdown Holdings plc,
48 Portland Place.
London W1N 4AJ

Credit Suisse First Boston Limited,
48 Portland Place.
London W1P 7AA

Hoare Govett Limited,
4 Broadgate,
4 Broadgate,
London EC2N 7LE

Woolgate House,
Coleman Street Coleman Street.

10th August, 1987

London EC2P 2HD